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General

Spokesman Denies Deployment in Spratlys

OW0304080193 Beijing XINHUA in English 0742
GMT 3 Apr 93

[Text] Beijing, April 3 (XINHUA)—A Chinese Foreign Ministry spokesman today denied the report that China had deployed submarines in the area of Nansha [Spratly] Islands.

"This report is sheer fabrication," the spokesman said when asked to confirm a report by FAR EASTERN ECONOMIC REVIEW that China has deployed three submarines in the area of Nansha Islands.

Spokesman Denies 'Large Scale' Arms Imports

OW0504120893 Beijing XINHUA in English 1156
GMT 5 Apr 93

[Text] Beijing, April 5 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China does not intend to import weapons on a large scale.

The spokesman made the remark when asked to comment on a report that 85 U.S. Congressmen wrote a letter to President Bill Clinton, asking him to express U.S. concern to Russia on its sale of billions of dollars of arms to China.

"China's defense spending is one of the lowest in the world both in terms of total value and per capita value. China does not intend to import weapons on a large scale. That particular report does not square with facts," the spokesman said.

Reportage on U.S.-Russian Summit in Vancouver

U.S. Senate Confirms Envoy

OW0304044993 Beijing XINHUA in English 0344
GMT 3 Apr 93

[Text] Washington, April 2 (XINHUA)—The U.S. Senate today confirmed former TIME magazine editor Strobe Talbott as ambassador at large to Russia and the other states of the former Soviet Union on the eve of the upcoming U.S.-Russian summit.

Talbott, approved with a vote of 89-9, is joining U.S. President Bill Clinton in his summit with Russian President Boris Yeltsin on April 3 and 4 in Vancouver, Canada.

In addition to serving as a special adviser to U.S. Secretary of State Warren Christopher, Talbott will head a policy steering group under the National Security Council to formulate long-range U.S. policy toward the new independent states.

Sen. John McCain, speaking against Talbott's appointment, said that Talbott has been "consistently wrong" in his assessment of the Soviet Union's position on disarmament and arms control.

"I take no pleasure in denying support to the President's choice for this critical post, but if I find a nominee's judgement to be consistently wrong, I cannot in good conscience vote to confirm his appointment," he said.

Talbott is a Russian expert who has known Clinton since they were classmates in the Rhodes scholar program at Oxford University, England, in the late 1960s.

As a reporter and editor of the TIME magazine for more than two decades, Talbott has visited the former Soviet Union about 40 times.

'News Analysis' on Summit

OW0304160693 Beijing XINHUA in English 1439
GMT 3 Apr 93

["News Analysis" by Wu Zhiqiang and Tang Yongxing]

[Text] Vancouver, April 2 (XINHUA)—When the Presidents of the United States and Russia get together here Saturday [3 April], their conversation will be centered on economic assistance to Russia.

They also will stress the "partnership" their countries have established since the collapse of the former Soviet Union.

Each with his own economic headaches back at home, Bill Clinton and Boris Yeltsin will try to advance his own interests at the summit.

The Clinton administration has been saying the whole time that efforts to help shore up Yeltsin's presidency are in the interest of every American.

On Thursday, Clinton told his compatriots that assistance to Russia is "an investment in the future...of the United States."

"If Russia were to revert to imperialism or plunge into chaos, we would need to reassess our plans for defense savings.

"Therefore, our ability to put people first at home requires that we put Russia and its neighbors first on our foreign agenda," Clinton said.

The summit is arguably more important to Yeltsin, who just did survive an impeachment vote by the Congress of People's Deputies.

But the political stalemate in Moscow is far from being solved. Yeltsin is hoping an April 25 plebiscite will boost his standing, and will lead to a new constitution that allocates more power to the president and less to the parliament.

Washington's worry over a "reversal" in Russia was echoed by almost all its Western allies. The summit here Saturday is believed to be a culmination of the West's desire to keep alive momentum in Russia concerning political and economic reforms.

Canadian Prime Minister Brian Mulroney, host for the summit, announced here today that the Ottawa government will increase its assistance to Russia by 200 million Canadian dollars (160 million U.S. dollars), and resume shipments of some 477,000 tons of grain left out of a one million-ton contract for 1992.

The Americans so far have disclosed few specifics about how large its aid package to Russia will be.

But senior White House officials have said that most of the package "will be funded with already authorized and appropriated funds" so that Americans "can deliver now on what we are proposing."

Washington has been pressing all along for a "multilateral" aid package in addition to its own "unilateral" one. Clinton and Yeltsin are expected to discuss what nations of the Western world together can do to help Russia.

However, the Russians cannot expect too much help because Clinton and other Western leaders face a difficult task convincing citizens at home to contribute even more to the Russians.

However, an unstable Russia could result in a world where an even greater threat of nuclear proliferation would force the West to spend more on defense.

Such a prospect is bad news for Western countries at the same time their economies are hurting because of a slowdown in the world economy.

Moreover, if Russia's economic advances were reversed, the Western countries could lose a major market for exporting their goods and services.

Besides, nationalist sentiments in Georgia as well as in Armenia and Azerbaijan have resulted in ethnic conflict in those areas. Because such sentiments are by no means limited to those areas, ethnic conflict could erupt in many other areas of the former Soviet Union.

That, with its resulting exodus of refugees, would exacerbate an already ailing global economy.

The West, dogged and frustrated by its own inability to check bloodshed in the former Yugoslavia, fears that a Yugoslavia-like civil war might break out in one or more of the newly independent republics of the former Soviet Union, the effects of such war would be more damaging.

Washington's ability to help is hampered by a budget short on foreign aid, the effect of which reduces support the U.S. can offer Yeltsin at the summit to symbolic support, as opposed to offering massive aid.

The Clinton administration has been asking its major allies to give more to Russia from their already tight budgets.

Germany, which has given more than half of all Western aid to Russia and simultaneously faces the daunting task of invigorating eastern Germany's economy, has indicated it can do no more.

Washington's major achievement concerning aid to Russia was on the diplomatic front, having gotten Japan to agree, albeit reluctantly, to also contribute. The greatest obstacle to Japanese aid has been Tokyo's concern over sovereignty of the four Kuril Islands which were occupied by the Soviets at the end of the Second World War.

Tokyo has announced that finance and foreign ministers from Russia and the seven major industrialized nations will meet for 10 days after the summit to consult on a multilateral aid package for Russia.

Officials are hoping that specifics of the package can emerge before the Tokyo G-7 [Group of Seven] summit takes place in July.

Economics aside, Clinton and Yeltsin also are expected to discuss such international issues as the Middle East peace process, Bosnia and Iraq.

In the past few years, Russia has gone along with most of the West's diplomatic initiatives, including sanctions against Iraq, Libya and Serbia.

Because foreign aid is not popular in the U.S., and because the aid might backfire, given the dissatisfaction Russians feel toward the West, whose governments they see as offering "a lot of words and zero action," any reference Clinton makes to Russia is likely to be about their "partnership" on the world forums.

Of late, Washington no longer channels aid to the central ministries in Moscow, and instead gives it to ordinary Russians at the grassroots level for two reasons. Washington is trying to bypass the bureaucracy, and also is aiming to win the hearts and minds of Russians who suffered as a result of the economic transformation.

Clinton, Yeltsin Arrive

OW0404000493 Beijing XINHUA in English 2335
GMT 3 Apr 93

[By Wu Zhiqiang and Tang Yongxing]

[Text] Vancouver, April 3 (XINHUA)—U.S. President Bill Clinton and Russian leader Boris Yeltsin started here today [3 April] the first session of their summit.

Their one-on-one meeting followed a "trilateral luncheon" at Norman MacKenzie House on the campus of the University of British Columbia with Canadian Prime Minister Brian Mulroney.

The two leaders are expected to dwell their discussions on how the United States and the Western industrialized nations could do to help Russia out of the current economic difficulty and shore up Yeltsin, who just narrowly survived an impeachment bid by the Congress of People's Deputies, or parliament.

Shower and drizzle greeted Yeltsin and Clinton at the Vancouver International Airport, who arrived here in the morning two hours apart.

But as they began their meeting, the weather began to clear up, resuming the city's beauty as Canada's third largest city.

Along the major roads near the hotels where the two stay, protesters vied for media attention.

Some 100 "Radical Action Alliance" members, with signs "Mulroney, Clinton, Yeltsin are here to make deals and you're not invited," banged newspaper vending boxes and shouted "Stop the crimes of the new world!"

The Greenpeace posted four large banners written in English and Russian downtown, calling for an end to nuclear arms buildup and urging the nuclear states to stop nuclear testing.

The banners were soon removed, apparently by the city authorities.

Prior to their one-on-one meeting, the two Presidents were shown around the Museum of Anthropology, which features the world's largest collection of totem poles.

Vancouver's main industry is tourism and the city is hoping that the press corps of up to 4,000 flocking here from all around the world could further advertize the city's attractions, aside from the five to 10 million dollars they are expected to spend here.

Flags of Canada, the United States and Russia can be seen along the city's main streets decorated with blossoming flowers.

Following the afternoon session, the presidents will have dinner at the Seasons Restaurant at the Queen Elizabeth Park, which features British Columbia cuisine.

Their second session is scheduled for Sunday [4 April] morning, coinciding with the change from western standard time to daylight-saving time.

Clinton is expected to announce Washington's aid package to Russia during his joint press conference with Yeltsin Sunday afternoon.

It was reported that the package could be up to one billion U.S. dollars. While trying hard to sell a bilateral assistance package to Russia at home, the Clinton administration is also stepping up its efforts in convincing its Western allies to share more from their tight coffers to Russia.

Canada, the host country, announced on Friday an increase in its aid to Russia by 200 million Canadian dollars (160 million U.S. dollars) of aid and a resumption of grain shipment of some 477,000 tons to the former Soviet republic.

The shipment was halted last year when the Russians defaulted.

The current summit is believed to be only a prelude to a major meeting of the seven major industrialized nations' foreign and finance ministers in Tokyo 10 days later.

The ministers will try to come up with a multilateral aid package to Russia before the G-7's [Group of Seven] annual summit in Tokyo in July.

Summit Talks Begin

OW0304235293 Beijing XINHUA in English 2242
GMT 3 Apr 93

[Text] Vancouver, April 3 (XINHUA)—U.S. President Bill Clinton and Russian President Boris Yeltsin started their first round of two days of summit talks this afternoon, with the emphasis on how most effectively to use a U.S. one-billion-dollar aid to help Russia's reforms.

They met on one-on-one basis, accompanied only by translators and notetakers.

It was the first summit for the two nations' leaders to take economic issues rather than nuclear and military issues as their centerpiece of the summit.

Earlier, emerging from a brief meeting with Canadian Prime Minister Brian Mulroney after his arrival, Clinton said he would discuss with Yeltsin about how most effectively to use the U.S. new aid to help Yeltsin's reforms.

Acknowledging uncertainty about the outcome of the political crisis in Moscow, Clinton said "I don't know what is going to happen. None of us do."

"These are very difficult, unsettling times but I think that the direction is clear—the direction that they ought to take and I think we ought to support the direction," he said.

U.S. Secretary of State Warren Christopher, interviewed here on CNN's [Cable News Network] "Newsmaker Saturday" program, said Clinton's new aid program was designed to channel U.S. aid quickly to the Russians.

"So the program has been designed to be tangible," Christopher said. "I think that President Yeltsin will be able to go home with something very important in his hand."

Clinton would talk with Yeltsin about "enterprise zones or enterprise funds which will enable people from the United States to make investments in Russia, to be able to make those investments successfully," Christopher said.

"He will be talking about a democracy corps where people from the United States will be going to Russia to assist," he added.

However, recent U.S. Gallup polls showed a majority of Americans oppose new aid to Russia at a time when President Clinton called on American middle class to make sacrifices to renew U.S. economy.

A U.S. senator, Dennis DeConcini, said this morning that he would not vote for the new aid plan for Russia although he thought it would be passed at the Congress.

Clinton on 'Democratic Russia'

OW0404020593 Beijing XINHUA in English 0138
GMT 4 Apr 93

[Text] Vancouver, April 3 (XINHUA)—President Bill Clinton, though uncertain of the outcome of the political crisis in Moscow, met here with Boris Yeltsin today [3 April] to discuss measures to bolster Russia's battered economy and help its president.

"We just need to weigh in and do what we can to do what's right," Clinton said shortly after his arrival and a brief meeting with Canadian Prime Minister Brian Mulroney, host of the U.S.-Russian summit.

He also acknowledged that in Russia, "I don't know what's going to happen. None of us do."

"These are very difficult, unsettling times but I think that the direction is clear....We ought to support the direction," he noted.

"I think that the kinds of things we propose to do are likely to have lasting and tangible impact and will minimize the chance that the money will be squandered," he said, adding that he looked at aid to Russia as "a long-term effort."

Some American analysts have argued that it might be a mistake to tie U.S. policy too closely to Yeltsin's survival, but Clinton countered that "the United States has a great deal to gain from a strong, successful democratic Russia."

"If Russia were to revert to its old ways or plunge into chaos, we would need to reassess our plans for defense savings," he said in a radio address.

First-Round Talks End

OW0404022193 Beijing XINHUA in English 0158
GMT 4 Apr 93

[Text] Vancouver, April 3 (XINHUA)—U.S. President Bill Clinton and Russian President Boris Yeltsin finished their first one-on-one talks here this afternoon [3 April], and Clinton expressed satisfaction on the progress of their talks.

At a news briefing, White House Spokesman George Stephanopoulos described Clinton as "very pleased" by his talks with Yeltsin.

Stephanopoulos said Yeltsin outlined the political situation in Russia to Clinton over a luncheon hosted by Canadian Prime Minister Brian Mulroney. The Russian president, he said, was committed to political and economic reforms and Clinton wanted to "do everything he can to support the process."

Clinton also passed on to Yeltsin the results of a telephone conversation he had Friday [2 April] night with Japanese Prime Minister Kiichi Miyazawa, who promised to increase aid to Russia. Yeltsin "was pleased by that," Stephanopoulos said.

The two leaders will meet again at dinner this evening, and the press secretary said they are expected to discuss the U.S. aid package to Russia. On Sunday morning, their talks are expected to focus on foreign and security issues.

Leaders 'Pleased' With Talks

OW0404054493 Beijing XINHUA in English 0514
GMT 4 Apr 93

[Text] Vancouver, April 3 (XINHUA)—U.S. President Bill Clinton and Russian President Boris Yeltsin concluded their one-on-one meeting here this afternoon [3 April], with the two leaders pleased with the talks, a White House spokesman said.

At a news briefing after the talks, George Stephanopoulos said during the meeting, the two Presidents had "a long, detailed, wide-ranging discussion over a number of issues," mainly on bilateral issues.

During the talks, Clinton got the impression that "President Yeltsin is committed to reform and he is a democrat," and Clinton "continues to believe that we have to do everything we can to support the process of democratic and economic reform (in Russia)."

But he said Yeltsin wanted the U.S. Government to lift the Jackson-Vanik Emigration Laws that denies Russia the U.S. most favored nation status on trade and to loose Cocom [Coordinating Committee for Multilateral Export Control] restriction on high-technology transfer to Russia.

Declining to say whether Clinton had promised to do what Yeltsin wanted, Stephanopoulos only said that the President would take Yeltsin's views into account.

During the talks, Stephanopoulos said, Clinton expressed his regret to Yeltsin over last month's collision between U.S. and Russian submarines in the Barents Sea. "We don't want (it) to happen in the future," he said.

Before the talks, Clinton and Yeltsin had a luncheon with Canadian Prime Minister Brian Mulroney with "a quite intense discussion over the political situation in Russia," Stephanopoulos said.

Earlier, U.S. Secretary of State Warren Christopher told CNN [Cable News Network] that Clinton would assure Yeltsin to leave the two days of summit with a significant achievement.

White House officials said Clinton's aid package for Yeltsin included a private enterprise fund for Russian entrepreneurs, a housing program for military officers returning from the Baltic states and assistance to help Russia sell off state-owned assets.

There were also food and medical aid, grain credits and "people-to-people" programs that would send Americans to Russia to help rebuild factories and farms and improve oil industry and transportation systems, they said.

Yeltsin said U.S. assistance could help him in his struggle at home. "It is always useful to help a friend, especially when friends go through a difficult period," he said at the start of talks.

But Russian officials were angry over what they view as a long stream of broken promises and limp aid packages from the West. They said much of the U.S. aid packages were never released as the West waited to be certain that economic reforms in Russia were taking hold.

Even Clinton acknowledged the concerns today that U.S. aid for Russia "might not be well spent" or that "future political events might undermine that impact of the aid."

Stephanopoulos said Clinton had telephone talks with Japanese Prime Minister Kiichi Miyazawa on Friday [2 April] evening.

Clinton "reiterated his support for Japan's longstanding policy over the Kuril Islands, but also passed on Prime Minister Miyazawa's intent to play a constructive role in the G-7 [Group of Seven] process of assistance to Russia," the spokesman said, adding "President Yeltsin seemed pleased by that."

U.S. officials said the Vancouver meeting was just the first step in an effort to help Russia. A senior U.S. Administration official said "the main thing we are trying to do is to prime the pump for Tokyo," where G-7 foreign and finance ministers will meet on April 14-15 to develop a collective aid package. "If anything big is going to happen, it will be there," the official said.

Clinton and Yeltsin will have a dinner this evening. They are expected to focus their talks over dinner on U.S. one-billion-dollar aid package to Russia. The two leaders will continue their talks on Sunday morning about foreign and security issues.

Clinton Announces Aid Package

OW0404223193 Beijing XINHUA in English 2145
GMT 4 Apr 93

[Text] Vancouver, April 4 (XINHUA)—U.S. President Bill Clinton today announced that his 1.6 billion dollar

aid package to Russia was only an immediate one which will be followed by further steps.

Russian President Boris Yeltsin responded that he was "fully satisfied" with the results of his first summit talks with Clinton in Vancouver.

The two Presidents made their comments at a joint news conference held soon after the talks.

Clinton said he and Yeltsin had "laid the foundation for a new democratic partnership" for the two nations.

The United States "will not stand on the sidelines" and will "support reform, reformers and you"—President Yeltsin in the process of reform in Russia, Clinton said.

Formally announcing the 1.6 billion dollar aid package, Clinton said that the U.S. aid was an investment not only in the future of Russia but in that of America as well.

Boris Yeltsin said he was "fully satisfied" with the results of his two-day summit with Clinton, which included a 1.6 billion dollar U.S. aid package to back his troubled reforms at home.

According to a White House spokesman, the U.S. aid package earmarked for fiscal year of 1993 included 690.9 million dollars in grants, 700 million dollars in concessional food sales and 230 million dollars in other credits.

The U.S. aid package was some what bigger than had been expected earlier and observers said that was intended to entice other major industrial nations to contribute more to a multilateral assistance package to Russia.

Meanwhile, U.S. officials indicated that the Washington's bilateral package was only a warmup to an even larger thing in Tokyo, where the finance and foreign ministers from the seven major industrial nations, plus the ministers from Russia, are to meet on April 14-15.

Clinton, Yeltsin Hold News Conference

OW0504014593 Beijing XINHUA in English 2342
GMT 4 Apr 93

[Text] Vancouver, April 4 (XINHUA)—U.S. President Bill Clinton today urged the Russians to support their President Boris Yeltsin's reform programs, saying that the success of their country's new course rests with them.

Formally unveiling a 1.6 billion dollar aid package to Russia, Clinton said at a press conference, "the ultimate responsibility for the success of Russia's new course, of course, rests with the people of Russia."

"It is they who must support the economic reforms and make them work," Clinton emphasized.

At the joint news conference following his second day of summit talks with Yeltsin, Clinton claimed that he and Yeltsin had laid "the foundation for a new democratic partnership" between the two nations.

The United States "will not stand on the sidelines" and "we actively support reform and reformers, and you (President Yeltsin), in Russia," Clinton said.

Clinton's 1.6 billion dollar aid package includes 700 million dollars in grain credits.

Yeltsin, whose primary aim at the Vancouver summit is to seek U.S. and Western support for his reform programs, said he was "fully satisfied" with the results of the summit.

The summit gave Yeltsin a sizable package of U.S. aid—though far less than Russia needs—before an April 25 referendum that will determine whether Yeltsin's power and reform programs have the support of the Russian people.

Yeltsin said on Saturday [3 April] "it is always useful to help a friend, especially when friends go through a difficult period."

At the news conference, Yeltsin said he and Clinton had agreed to eliminate U.S. "discriminatory limitations on trade with Russia," referring the Jackson-Vanik amendment, a cold war era measure that requires the Soviet Union to permit free emigration in order to win more favorable trade terms.

Yeltsin also said Russia is prepared to compete honestly with the United States in the international trade.

"We decided to alter our approach to trade in Russian uranium, space technology, access to Russian military technology," Yeltsin said.

The U.S. aid package included two funds to accelerate Russian privatization and to lend to new small private businesses in Russia.

The Clinton administration will also promote U.S. investment, particularly in Russia's oil and gas industries.

Clinton also said the finance and foreign ministers from seven western industrial nations would meet on April 14-15 in Tokyo discuss a larger, maybe 30 billion dollar coordinated aid package to Russia before the leaders meet at their annual summit in Tokyo in July.

Unlike previous summits focusing on arms control, the two Presidents turned their attentions on economic issues and cooperations.

Clinton said that over the past 45 years, the two countries "pursued a deadly confrontation in nuclear arms. Now we can pursue a safe and steady cooperation."

He said the two leaders reaffirmed their commitment to safe dismantlement and disposal of nuclear weapons. They also discussed the need to prevent nuclear proliferation.

"We also agreed to work in concert to help resolve regional crises, to stem weapons from proliferation, to

protect the global environment and to address common challenges to international peace, such as the tragic violence in Bosnia, advancing the promising peace talks we have co-sponsored in the Mideast and continuing our cooperation to end the regional conflicts of the cold war era," Clinton said.

Yeltsin said they had agreed to take measures to avoid accidents such as the submarine collision in the Bering Sea last month.

Further on News Conference

OW0504035993 Beijing XINHUA in English 0334
GMT 5 Apr 93

[Text] Vancouver, April 4 (XINHUA)—Russian President Boris Yeltsin said here today he and U.S. President Bill Clinton had agreed to lift U.S. trade limitations on Russia imposed during the cold war.

At a joint news conference following two days of talks with Clinton, Yeltsin said "We decided to eliminate discriminatory limitations on trade with Russia."

"We were simply hurt that Russia had embarked upon the path of democracy, whereas America was still treating us as though we were a communist country," he said. "I stated that quite clearly, and Bill Clinton agreed."

One Russian official called the potential repeal of U.S. Jackson-Vanik amendment the most important result of the summit.

The Jackson-Vanik amendment, passed by the U.S. Congress during the cold war, denied trade benefits to the former Soviet Union as long as restrictive immigration policies were in force.

The Soviet Union began before its collapse to relax immigration laws considerably and in recent years the U.S. President has signed annual waivers to allow the former Soviet Union and then Russia to have most favored nation status in trade.

At the news conference, Clinton did not directly confirm Yeltsin's comments. But he said he told Yeltsin that based on consultations with the Congress after returning to Washington "we would make as many changes we could."

Clinton said his administration would announce a comprehensive position on these trade matters within a few days.

He said that he discussed the trade issues with key congressmen and senators before leaving for the summit and that they had agreed to compile a list of all cold war legislation and restrictions that are still being applied to Russia.

"I think there will be change in the law if the Congress is convinced there are in fact no more people who wish to

emigrate who are not being allowed to," Clinton told a group of Russian journalists later.

The main topics of the first Clinton-Yeltsin summit were dominated by economics and not arms control. Clinton, at the news conference, formally announced a 1.6 billion dollar aid package to Russia to show U.S. support for Yeltsin's reforms.

The aid plan, well above expected, includes 700 million dollars in new grain credits, 690 million dollars in grants for a wide range of humanitarian, democratic and arms control projects, and 230 million dollars in credits for trade and investment.

Washington will make development of U.S.-Russian trade and technological cooperation a top priority: U.S. Vice President Al Gore and Russian Prime Minister Viktor Chernomyrdin will co-chair a joint commission on technological cooperation.

The Clinton administration will also seek to extend special trade preferences to Russia and promote it for full membership in the main international trade system, the General Agreement on Tariffs and Trade.

Presidents Issue 'Vancouver Declaration'

OW0504014893 Beijing XINHUA in English 0051
GMT 5 Apr 93

[Text] Vancouver, April 4 (XINHUA)—The Presidents of the United States and Russia declared their "firm commitment to a dynamic and effective partnership" at the end of their summit here today.

Although the get-together was in essence intended to mainly discuss how Washington and the Western nations can render emergency support for Russia and shore up President Boris Yeltsin, a joint statement released after a summit meeting between Yeltsin and U.S. President Bill Clinton was carefully worded not to have too much reference to aid.

The document, called "Vancouver Declaration," claimed that "the joint efforts of both countries have succeeded in establishing a new character for Russian-American relations."

"The Presidents agreed on a new package of bilateral economic programs and measures to address Russia's immediate human needs and contribute to the building of necessary structures for successful transition to a market economy," the statement said.

The U.S. earlier announced an aid package of some 1.6 billion U.S. dollars for Russia.

Along the 1.6 billion U.S. dollars earmarked for fiscal 1993, 690 million are grant assistance, 700 million in concessional food sales and 230 million in other credits.

The joint statement said both leaders "expressed their determination to promote access to each other's markets, cooperation in defense conversion, removal of

impediments to trade and investment, and resumption of U.S. food exports to Russia on a stable long-term basis."

Also included in the "Vancouver Declaration" are:

—That the U.S. and Russia welcome the extraordinary meeting in Tokyo of finance and foreign ministers from the seven major industrialized nations and Russia.

The G-7 [Group of Seven] nations, or the United States, Japan, Canada, Britain, Italy, France and Germany, are expected to come up with a major multilateral aid package for Russia then.

—That Washington supports Russia's bid to become a full member of the General Agreement on Tariffs and Trade (GATT).

—That both countries call for an early ratification of the Strategic Arms Reduction Treaty (START One) and the Nuclear Non-Proliferation Treaty (NPT) by Ukraine and the second START treaty (START Two) by the parliaments of Russia and the United States.

—That the two countries will broaden "interaction and consultations" in the areas of defense and security.

—That the two countries develop cooperation in environment, science and technology, outer space, fishery as well as culture, education, humanities and the mass media.

Clinton, Yeltsin Depart After Summit Conclusion

OW0504015093 Beijing XINHUA in English 0102
GMT 5 Apr 93

[Text] Vancouver, April 4 (XINHUA)—U.S. President Bill Clinton left here at 4:20 p.m. (local time) today for Washington following his two-day summit with Russian President Boris Yeltsin.

About two hours earlier, Yeltsin left the west Canadian coast port city after a post-summit joint news conference with Clinton.

Yeltsin was due to travel to cities in the Russian Far East and Siberia where he will campaign for support in the key April 25 referendum on his power and reform programs.

Yeltsin Leaves With Pledge

OW0504065093 Beijing XINHUA in English 0627
GMT 5 Apr 93

[Text] Vancouver, April 4 (XINHUA)—Russian President Boris Yeltsin left here today with a promised 1.6 billion U.S. dollars aid package and reassurance of support from his U.S. counterpart Bill Clinton.

The two leaders reiterated their commitment to the two nations' "partnership" and their hope of becoming "future allies."

"I believe we have laid the foundation for a new democratic partnership between the United States and Russia," Clinton said at a joint press conference with Yeltsin at the end of their two-day summit in this picturesque Canadian city.

Yeltsin, who just narrowly survived an impeachment attempt by the Russian parliament, said he was "fully satisfied by the results and by the spirit and the atmosphere" of his meeting with Clinton.

Although the summit talks touched upon some 50 topics, the centerpiece of the discussion was emergency aid to Russia by the United States and other Western industrialized nations.

The United States' aid package includes 690.9 million U.S. dollars of grants and 932 million dollars of credits.

Money involved in the package can be delivered immediately—on hand from funds inherited from the Bush administration for Russian programs or reprogrammed from funds appropriated by the Congress for other purposes.

Seventy-five percent of the programs tabled out in the package will be targeting regions outside Moscow, bypassing the central ministries.

They include humanitarian assistance, concessional food sales, support for privatization, housing for demobilized Russian soldiers and the dismantlement of nuclear weapons.

Clinton said he would go home and convince the Congress to come up with a "more aggressive" bilateral assistance package.

In a joint communique released after their meetings, named "Vancouver Declaration," the two presidents welcomed "the extraordinary meeting of the foreign and finance ministers of the G-7 [Group of Seven] countries and the Russian Federation."

The Group of Seven industrialized nations will meet in Tokyo April 14-15 to begin work on a large-scale financing program to aid Russia to tide over its economic difficulties.

Besides economic assistance, the two presidents also discussed access to each other country's markets, cooperation in military conversion, nuclear disarmament, environment, and outer space.

IAEA Refers DPRK Issue to Security Council

SK0204121593 Beijing China Radio International in Korean 1110 GMT 2 Apr 93

[Text] The International Atomic Energy Agency [IAEA] on 1 April discussed the violation of a pledge [yaksogul ogida] by the DPRK regarding the nuclear nonproliferation issue, and decided to refer this to the UN Security Council for discussion.

In its Board of Governors meeting held in Vienna, the IAEA adopted a resolution and denounced the DPRK, claiming that the DPRK violated the Nuclear Nonproliferation Treaty [NPT], which was put into force in April 1992.

The DPRK delegation also attended the meeting. The Board of Governors gave a directive to IAEA Director General Han Blix to refer the resolution to the UN Security Council for discussion. The Security Council has the right to impose economic sanctions on the DPRK.

The IAEA's resolution points out that the DPRK failed to show a so-called positive response to the IAEA's decision to urge the DPRK to accept relevant experts' inspection of two facilities [sisol], which some Western countries suspect of being nuclear bases, before 31 March.

DPRK: U.S., IAEA 'Unfair'

OW0404181493 Beijing XINHUA in English 1557 GMT 4 Apr 93

[Text] Pyongyang, April 4 (XINHUA)—The Democratic People's Republic of Korea (DPRK) said today that the United States and the International Atomic Energy Agency (IAEA) are unfair on the nuclear problem.

In a statement published here today, the spokesman of the Foreign Ministry said that the president of South Africa recently announced for the first time at the parliament that his country had destroyed all the six nuclear weapons which it had produced and preserved and their associated facilities.

"It is lucky that South Africa, though belatedly, made public fact about its development of nuclear weapons," he said.

But, he said, the problem is the "double standard policy" of the United States and the International Atomic Energy Agency following its lead toward the nuclear problem.

The United States, as a member state of the Nuclear Non-Proliferation Treaty, "seriously violating its obligation under the treaty and had transferred nuclear technology to South Africa and, furthermore, actively assisted it in the manufacture of nuclear weapons," the spokesman said.

But the United States "does not utter a word about its own criminal act and the illegality of the development of nuclear weapons by South Africa," he said.

The spokesman said that on the contrary, it is raising outcries over the "suspicion of nuclear weapon development" against the DPRK the honesty of whose nuclear activity has already been made clear.

He said that the IAEA, which had mentioned not a word about the development of nuclear weapons by South Africa in its 115 rounds of inspection of the country,

tried to force a "special inspection" on the DPRK on the plea of fictitious "nuclear suspicion" only after six rounds of inspection.

It raised such a row as "adopting an unjustifiable 'resolution' of bringing the matter of the DPRK to the United Nations on a charge of 'noncompliance with the safeguards agreement,'" the spokesman said.

He accused the IAEA of losing "impartiality and objectivity."

Japan Opposes 'Early Sanctions'

OW0204160193 Beijing XINHUA in English 1412
GMT 2 Apr 93

[Text] Tokyo, April 2 (XINHUA)—The Japanese Government said today that it opposes early sanctions against the Democratic People's Republic of Korea (DPRK) for its withdrawal from the Nuclear Non-Proliferation Treaty.

Speaking at a press conference, Foreign Minister Michio Watanabe rejected immediate sanctions against DPRK by the U.S. [as received] Security Council.

He said that DPRK should not be driven "into corner" with economic sanctions before diplomatic efforts have been expanded.

In his regular press briefing, Foreign Ministry spokesman Masamichi Hanabusa said that the issue should be resolved through patient dialogue between DPRK and the International Atomic Energy Agency.

Commentary Urges Negotiations

SK0304041793 Beijing China Radio International in Korean 1100 GMT 2 Apr 93

[Commentary by unidentified station commentator: "To Hold Negotiations Is the Only Way to Resolve the DPRK's Nuclear Issue."]

[Text] The International Atomic Energy Agency [IAEA] determined on Sunday that the DPRK [Choson] had broken its promise on nuclear nonproliferation and decided to transfer this issue to the UN Security Council [UNSC].

In a meeting in Vienna, the IAEA denounced the DPRK for violating the so-called Nuclear Nonproliferation Treaty [NPT], which was effectuated in the winter of 1992 [as heard].

Western countries' public and countries concerned, including the United States, insist that the DPRK has built two nuclear bases about five km north of the capital city of Pyongyang.

On 25 February, the IAEA decided to carry out special nuclear inspections of these two bases in the DPRK. But

the DPRK Government strictly refused the special inspections and declared on 10 March that it would withdraw from the NPT.

The IAEA, however, set a deadline for the DPRK's acceptance of nuclear inspections by 31 March. Other countries, including the United States and the ROK, have also tried to bring the issue of the DPRK's withdrawal from the NPT to the UNSC.

A spokesman of the DPRK Foreign Ministry said on 29 March that the DPRK will take strong self-defensive measures if foreign countries continue to put pressure on it and attempt to transfer its nuclear issue to the UNSC.

The DPRK said that the primary cause of its withdrawal from the NPT was nuclear threats from the United States. It said that, according to the NPT, a signatory of the NPT has the right to withdraw from the treaty by exercising its sovereignty under any situation when its best interests are considered threatened.

The DPRK stressed that the United States must withdraw its nuclear weapons and troops from the ROK, give up its nuclear threat, and not make the DPRK nuclear issue an international one by taking forcible measures. The DPRK appeals for resolving the DPRK's nuclear issue through DPRK-U.S. negotiations.

The DPRK is a friendly neighbor of China, and the two countries have maintained friendly, cooperative relations for a long time. China recognizes that neither North nor South Korea should possess nuclear weapons so as to ease the strained situation on the Korean peninsula.

Patience is needed in resolving the DPRK's nuclear issue. It is hard to say that transferring this issue to the UNSC guarantees its smooth solution.

The DPRK's nuclear issue should be resolved by developing negotiations among the DPRK, the IAEA, and countries concerned. To hold negotiations is the only way to resolve the DPRK's nuclear issue.

World Bank President Arrives in Beijing

OW0304092593 Beijing XINHUA in English 0833
GMT 3 Apr 93

[Text] Beijing, April 3 (XINHUA)—World Bank President Lewis Preston arrived here today on his first visit to China in his current capacity.

During the 10-day visit, the president will meet Chinese leaders and bank officials to obtain a better understanding of China's economic development and the implementation of its reform and opening policies. Preston will also look into China's use of World Bank loans.

A Chinese Finance Ministry official said that World Bank loans to China totalled 15.44 billion U.S. dollars by

the end of February. Seventy-three percent of the loans, designated to develop 124 projects, have already been put into use.

World Bank loans to China in the fiscal year of 1992 totalled 2.526 billion U.S. dollars, which is expected to be equaled this year, the official said.

According to the official, World Bank loans are funneled into such fields as agriculture, energy, transportation, industry, finance, the social sector, forestry and technological aid.

During his stay in China, Preston will visit areas outside of Beijing including China's largest industrial city of Shanghai, Guangdong Province, Xinjiang and Guangxi.

Meets Environment Official

OW0404092893 Beijing XINHUA in English 0902
GMT 4 Apr 93

[Text] Beijing, April 4 (XINHUA)—Qu Geping, director of the State Bureau of Environment Protection, met here this afternoon with the visiting World Bank president, Lewis Preston.

Qu, also chairman of the newly established Environment Protection Committee under the National People's Congress (NPC), said the new NPC committee will focus on legislation and supervision over the implementation of laws concerning environment protection.

China has promulgated a total of 12 laws and rules in this regard, Qu told the world bank president.

Preston arrived in Beijing Saturday [3 April] on a 10-day visit to China in his current capacity.

Official Discusses May Meeting of GATT Body

HK0404071193 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4 Apr 93 p 1

[Article by Wang Yong: "Gatt Meeting Inspires Optimism"]

[Text] The General Agreement on Tariffs and Trade (Gatt) will convene a week-long meeting in Geneva next month as a high-profile gesture to hasten the pace of China's resumption of its status in the world trade body.

Chinese officials hope the 14th conference of the Gatt Working Party on China will yield "a preliminary consensus on scores of topics" that hold sway for China's smooth resumption of membership.

Topics will range from how China will unify its national trade policies to how it will adapt its current trade regime to Gatt requirements.

Li Zhongzhou, deputy director general of the international relations department under the Ministry of Foreign Trade and Economic Co-operation (Moftec), predicts the talks will hasten progress towards framing a protocol of resumption for China.

Such a protocol is a permanent legal document that defines the rights and obligations of a Gatt contracting member.

"We're not being over-optimistic but we believe things are really going well," he told Business Weekly.

He forecast the talks would leave "only a few core issues to be tackled later."

But he said the contracting parties had already shown some flexibility on these final issues, such as whether the protocol should include "special safeguards against a possible export surge from China."

He said Gatt itself provided various remedies for possible injurious imports from China.

Some Gatt contracting parties have argued that China must accept such safeguards before substantial talks can begin.

But Li insisted that China had the goodwill to resolve any issue that might arise in bilateral trade within the framework of Gatt.

He said he intended to take advantage of the China-European Community Joint Committee meeting in Brussels on April 24 to further discuss China's Gatt accession with the EC. Li would not predict the outcome of these talks.

"During an earlier round of Gatt talks, held in Geneva from March 15-17, we had bilateral consultations with many contracting members, including the EC, the United States, Japan and developing nations, with which better understanding on some issues was achieved," he said.

A Moftec official, Yi Xiaozhun, confirmed last month's talks had produced positive results.

He said most Gatt members had agreed to start talks on details of the protocol.

"No contracting party disputed the fact that China is a developing country and therefore China will enjoy treatment from Gatt as a developing country," he said.

While there were still difficult problems to be solved, China was moving closer to Gatt requirements, Yi said.

It had formally adopted the concept of "a socialist market economy" in its newly-revised Constitution.

"Moreover, our price reform has developed to the point where the bulk of the country's commodities have come to be regulated by market pricing."

From this year, the State controls the prices of only 25 types of production materials, six kinds of farm produce and two consumer items (salt and some medicines).

In terms of value, the State had controlled only 10 percent of the prices of retail commodities by the end of last year.

China will relinquish State control on even the prices of coal, grain and some oil products in the near future.

Li said China had agreed to negotiate with Gatt contracting members on tariff reduction for farm produce, in accordance with the spirit of the Uruguay round of talks that aimed to liberalize world trade.

On exchange rates, Li said China would eventually adopt a uniform rate. The undue discrepancy between China's official and underground exchange rates had been fuelled by a fast increase in the country's imports.

China was ready to subject its trade regime to the detailed supervision of Gatt and could implement a uniform trade policy nationwide.

Another positive element for China was that many Gatt contracting members—including Japan, Canada, Thailand, Uruguay and Australia—were poised to start bilateral tariff concession talks with China.

Japan and China would hold the first round of such talks early next month in Tokyo.

Li said Gatt would be incomplete without the participation of China, which ranked sixth in world trade last year, if the EC was regarded as one country.

Foreign Heads of State Congratulate Leaders

OW0404202793

[Editorial Report] Beijing XINHUA Domestic Service in Chinese transmits a number of items that report congratulatory messages from foreign leaders to the newly elected Chinese leaders.

At 1036 GMT on 29 March Beijing XINHUA Domestic Service in Chinese transmits a 525-character item reporting that President Jiang Zemin received messages from DPRK President Kim Il-song; Cambodian head of state Sihanouk, chairman of the Supreme National Council; Israeli President Herzog; Japanese Emperor Akihito; Mongolian President Ochirbat; Nepalese King Birendra; Pakistani President Ishaq Khan; PLO Executive Committee Chairman 'Arafat, also described as Palestinian state president; Qatari Amir Khalifah; ROK President Kim Yong-sam; Nepalese Prime Minister Koirala; Pakistani Prime Minister Sharif; and Qatari Crown Prince Hamad, concurrently Qatari defense minister.

Premier Li Peng received messages from Cambodia's Sihanouk, DPRK Premier Kang Song-san, and ROK Prime Minister Hwang In-song.

Chairman Qiao Shi of the Chinese National People's Congress Standing Committee received messages from the DPRK's Kim Il-song and Mongolian State Great Hural Chairman Bagabandi.

Chairman Li Ruihuan of the National Committee of the Chinese People's Political Consultative Conference received a message from Korea's Democratic Front for Motherland Reunification Central Committee, and Vice President Rong Yiren received a message from Mongolia's Bagabandi.

Beijing XINHUA Domestic Service in Chinese at 0950 GMT on 31 March transmits a 392-character item that reports congratulatory messages from foreign leaders. According to the report, President Jiang Zemin received the messages from Bahraini Amir Isa, Cameroonian President Biya, Djibouti President Gouled, Kuwaiti Amir Jabir, Laotian President Nouthak Phoumsavan, Mauritanian President Taya, Mauritian President Uteem, Chairman Than Shwe of the Burmese State Law and Order Restoration Council, Omani Sultan Qaboos, Romanian President Iliescu, Senegalese President Diouf, United Arab Emirates (UAE) President Zayid, Yugoslav President Cosic, and UAE Vice President and Prime Minister Makatum.

Premier Li Peng received messages from Burma's Than Shwe, Romania's Iliescu, Japanese Prime Minister Kiichi Miyazawa, Laotian Prime Minister Khamtai, Mongolian Prime Minister Jasray, Nepal's Koirala, Pakistan's Sharif, and Romanian Prime Minister Vacaroiu.

Beijing XINHUA Domestic Service in Chinese at 0546 GMT on 3 April transmits a 147-character item that reports congratulatory messages from foreign political party leaders to CPC General Secretary Jiang Zemin on his election as president. The messages were from Japan Social Party Chairman Sadao Yamahana, Japan Komeito Party Chairman Koshiro Ishida, the general secretary of the Nepalese Communist Party (United Marxism-Leninism), and the chairman of the German Social Democratic Party.

Beijing XINHUA Domestic Service in Chinese at 0910 GMT on 3 April transmits a 566-character item that reports on congratulatory messages from foreign leaders. According to the item, President Jiang Zemin received messages from Algerian High State Council Chairman Kafi, Botswana President Masire, Denmark's Queen Margrethe II, Malian President Konare, Maltese President Tabone, Moldovan President Snegur, Portuguese President Soares, Russian President Yeltsin, Seychelles President Rene, Sri Lankan President Premadasa, Tajikistani Supreme Soviet President E. Rakhmanov, Tunisian President Ben Ali, Turkmenistani President Niyazov, and Zimbabwean President Mugabe.

Premier Li Peng received messages from Russia's Yeltsin, Seychelles' Rene, Sri Lanka's Premadasa, Turkmenistan's Niyazov, Armenian Vice President G. Arutyunyan, Israeli Prime Minister Rabin, Malian Prime

Minister Toure, Portuguese Prime Minister Silva, Russian Prime Minister Chernomyrdin, and Syrian Prime Minister Zubi.

Chairman Qiao Shi received messages from Japanese lower house Speaker Yoshio Sakurachi, the Moldovan parliament chairman, Zambian National Assembly Speaker Nabulyato, the German Social Democratic Party chairman, and Parliamentary Chairman Thierse of the German Social Democratic Party.

Vice President Rong Yiren received a message from Russian Vice President Rutskoy.

Jiang Zemin Sends Greetings to Libya's Leader

*LD0304191393 Tripoli JANA in English 1806 GMT
3 Apr 93*

[Text] Beijing al-Tayr [Apr] 3, JAMAHIRYAH NEWS AGENCY—The new President of China Jiang Zemin requested the secretary of the Libyan Arab People's Bureau to Beijing to convey his greetings to the leader of the revolution and his good wishes to the Libyan Arab people for further progress and prosperity. This came during the reception held by the new Chinese leadership today for the heads of diplomatic mission accredited to China.

Also the president of China expressed his thanks and gratitude to the leader of the revolution for the congratulatory message he sent to him on the occasion of his election as the president of China.

United States & Canada

50 Generals Sign Letter to Jiang on U.S. Ties

*HK0304044093 Hong Kong CHING PAO in Chinese
No 4, 5 Apr 93 p 38*

[Report by Meng Lin (1322 3829): "50 Generals Sign Letter to Jiang Zemin"]

[Text] **Support for Principled Government Position on Sino-U.S. Relations**

According to sources in Beijing, some 50 generals, including Liu Huaqing, Yang Dezhi, Hong Xuezhi, Chen Xilian, Zhang Aiping, Zhang Zhen, Xiao Ke, Chi Haotian, Liao Hansheng, Li Desheng, Yang Baibing, Xu Xin, Zhang Wannian, Qin Jiwei, Wang Enmao, Yu Yongbo, Fu Quanyou, Wang Ke, Wang Hai, Wang Chengbin, Shi Yuxiao, Zhu Dunfa, Yang Guoliang, Li Laizhu, Li Jiulong, Li Xilin, Li Wenqing, Li Jing, Liu Jingsong, Zhang Lianzhong, Song Qingwei, Song Keda, Gu Shanqing, Liu Anyuan, Zhou Wenyuan, Zhou Hui [0719 6540; perhaps Gu Hui?], Zhao Nanqi, Xu Huizi, Lei Mingqiu, Cao Shuangming, Zhou Keyu, Cao Pengsheng, Li Xuge, Zhu Guang, Xiong Guangkai, Zhou Wenbi, Zhang Gong, Zhang Bin, Zhang Baiheng [1728 4102 1854; perhaps Zhang Taiheng?], and Zhou Yibing, have recently signed a letter to General Secretary Jiang Zemin

firmly expressing their support for the Chinese Government's principled position on Sino-U.S. relations. The generals expressed the hope that the state will safeguard national sovereignty and resist intervention and challenge of hegemonism and power politics at all costs, not succumb to the blackmail and pressure of hegemonism in exchange for temporary economic interests, and readjust basic policies and strategy toward the United States in a timely manner in the wake of the Soviet Union's disintegration. Sources said that the letter, signed and submitted by 50 new and veteran generals to Jiang Zemin, was drafted by Zhang Zhen, Zhang Aiping, Zhang Wannian, Yu Yongbo, Lei Mingqiu, and others soon after the 14th CPC National Congress concluded last October. The letter obtained firm support from and was signed by generals working at central and local levels. It was not submitted to Jiang Zemin until the eve of the Second Plenary Session of the 14th CPC Central Committee, which was convened in early March of this year.

Opposition to Trading Principles for Foreign Aid

The letter points out: Sino-U.S. relations should develop on the basis of the three existing Sino-U.S. joint communiques. We are opposed to confrontation, but will not evade confrontation forced upon the Chinese Government and people.

The letter states: We are strongly opposed to trading principles and international norms governing relations between two countries for bilateral international trade. The success of China's reform and opening up will depend on a correct line and theoretical guidance rather than "aid" from certain Western countries.

The letter continues: Since the end of the cold war, hegemonism and power politics have turned on China as their strategic target. They are attempting to turn China into another Soviet Union and hope to see China caught up in civil war or internal turmoil.

Opposition to U.S. Interference in China's Internal Affairs

The letter points out: We must rely on ourselves. While developing the economy, we should also make unrestrained efforts to develop defense-oriented science and technology. A pressing task for the whole Army at present is to further modernization of the three armed services. We love peace. We will not send troops to or establish military bases in other countries. We are opposed to settling border, water, or island disputes between two countries with force. We will not try to threaten neighboring countries with force or interfere in their internal affairs. However, we must still make redoubled efforts to further modernize and make our three armed services capable of counterattack in order to defend the four modernizations building and the motherland, secure a peaceful and pleasant living and working environment for the people, and answer military intervention and provocation, as well as the political and

economic blackmail of international hegemonism and power politics with a counterblow.

The letter specifically points out: The United States has violated the Sino-U.S. joint communiques by selling advanced military planes to Taiwan. It has obstructed the reunification process between the two shores for a long time and has wantonly interfered in China's internal affairs by using U.S. human rights criteria. It has carried out political blackmail by exploiting the law of equal trade between countries. Moreover, it has intervened in such purely internal affairs of China as Tibet and Hong Kong.

The letter stresses: We are facing an intricate and complex world situation at the moment. Should we fail to correctly understand and judge the situation or formulate sound policies, China's reform, opening up, and central work of economic construction will inevitably be adversely affected.

Li Peng Receives U.S. Organization's Delegates

OW0304103093 Beijing XINHUA in English 1019
GMT 3 Apr 93

[Text] Beijing, April 3 (XINHUA)—Chinese Premier Li Peng met here today with a U.S. delegation led by Barber B. Conable, Jr., chairman of the board of the National Committee on U.S.-China Relations.

The U.S. visitors arrived here March 31 to attend the sixth Sino-American celebrity dialogue.

Li said he appreciates what friends on the National Committee on U.S.-China relations have done for the development of Sino-U.S. relations.

Li noted that China attaches importance to Sino-U.S. relations, saying that the improvement and development of bilateral ties requires the common efforts of the two sides.

He said China has made efforts and will continue to do so to this goal.

During the meeting, Li also reaffirmed China's principled stand on China-U.S. trade, human rights, democracy and various regional issues.

According to a Chinese official present at the meeting, Conable said that although the members of the delegation no longer hold public office, they continue to care about Sino-U.S. relations and wish to see further development of such relations.

Journal Says U.S. Policy Hurts Investment

OW0304032693 Beijing XINHUA in English 0234
GMT 3 Apr 93

["In Jeopardy: Clinton Policies Threaten Sino-U.S. Investment"—XINHUA headline]

[Text] Beijing, April 3 (XINHUA)—The Hong Kong-based newsmagazine "WINDOW" carries an article in its recent issue, saying that mounting fear of political intervention by the Clinton administration may scupper the ambitions of American businessmen who have been "champing at the bit" since China opened its door in the mid-1970s.

The article, entitled "In Jeopardy: Clinton Policies Threaten Sino-U.S. Investment", emphasizes in its sub-heading that just as China's investment door begins to open, political intervention by Washington may stall crucial U.S. infrastructure projects.

"U.S. companies may be forced to watch and fume as huge infrastructure projects in China are snatched up by European and Asian rivals," it says.

"The U.S. Government and American companies will be making a huge mistake if they don't recognise the Chinese market as potentially the greatest opportunity that any of us will see in our lifetime and react to it appropriately," the article quotes John Wing, chairman of global energy company, Wing Merrill International Inc. as saying.

Wing believes the U.S. Government desperately needs a wake up call in terms of its China policy. "It would be a shame if the Clinton administration ruins things," he said.

"I would love to think our government would some way help us, but I hope at least they will remain neutral," Wing added.

The article notes General Electric and Wing Merrill, both world leaders in the energy industry, are eager to make their mark in China.

Clinton and his advisers may be shooting the U.S. in the foot if they carry out their long-professed threats toward China, the article says, adding "the neophyte Congress with both liberals and conservatives attacking China could hurt U.S. business opportunities."

"If we don't participate in China there will be a vacuum there, and to think that is going to hurt anybody but the U.S. is naive. If our government isolates China they ought to get a spanking because it is plain childish," Wing is quoted as saying.

According to the article, directors of General Electric have put pressure on the Clinton administration not to interfere with U.S. investment in China. "We want to make sure the new administration doesn't do anything silly or stupid."

Report on Clinton's Oregon Conference

OW0304054293 Beijing XINHUA in English 0510
GMT 3 Apr 93

[Text] Washington, April 2 (XINHUA)—Over 2,000 timber workers gathered in a giant tent outside the

Oregon Convention Center in Portland today, calling for protection of their rights of logging.

Inside the convention center, President Bill Clinton, trying to balance the conflicting interests of environmentalists and loggers, said at an oblong wooden table that he was happy for "today we meet in a conference room instead of a courtroom."

The courtroom story was two years ago. The Bush administration turned the owl vs. jobs case to a federal court, which banned logging in the owl's habitat in May 1991.

"Together, we can move beyond confrontation to build consensus on a balanced policy to preserve jobs and to protect our environment," the President said.

By convening the conference, Clinton fulfilled one of his campaign promises that it was possible for his administration to protect environment and at the same time ensure job security for Americans.

The spotted owl, now at around 4,000 pairs, live in the canopy of ancient forests in the northwest. It was declared an endangered species two years ago in the wake of increased tree felling.

Environmentalists called for banning logging once and for all in the three states of Washington, Oregon and California, while the timber industry want to protect jobs and the timber-dependent communities.

The administration should "make it possible for more people to be faithful to their cultural roots and their way of life and to work through this process in a human way," Clinton told the 50 speakers and 300 invited listeners.

At the conference, fishermen, loggers and lumber company executives discussed the declining timber business, the danger to salmon fish, the loss of logging jobs and forest's role as a home to animal life.

"If we don't break this gridlock, the next officially designated endangered species will be the timber families of the northwest," said Mike Drapper, executive secretary of the United Brotherhood of Carpenters.

Rick Brown of the National Wildlife Federation called for a balanced policy because the "best and the brightest of us cannot recreate the old-growth forest" which dates back to the birth of this nation.

People in the wood industry at the conference accused conservationists of being extremists. They agreed that the forests and owls needed protection and should not be destroyed.

"The process we begin today will not be easy. Its outcome cannot possibly make everyone happy, but the worst thing we can do is nothing," Clinton said.

He accused the former administration of doing more harm than good to the issue. "For too long, the federal government has confused the situation instead of clarifying it," he noted.

Joined by Vice President Al Gore, his point man in environment, and some of cabinet members, the President promised that he would do what he could, but cautioned against any quick solutions to the issue.

"We are here to listen and learn," he said. "As we begin this process, the most important thing we can do is to admit to each other that there are no simple or easy answers."

The President, who will go to Vancouver, Canada, tomorrow to meet with his Russian counterpart Boris Yeltsin and present him with a bounty gift of aid, joked earlier that summit on Saturday [3 April] would be easier than today.

Joint Sino-U.S. Study Projects GDP to Year 2020

*OW0304092293 Beijing XINHUA in English 0844
GMT 3 Apr 93*

[Text] Beijing, April 3 (XINHUA)—China will bring the level of its gross domestic product [GDP] closer to that of the United States in about 30 years' time, a joint Sino-American study shows.

Currently, China's GDP is only about 10 percent that of United States.

The forecast was based on a macro-economic model of the Chinese economy worked out by a situation study and analysis group of the Chinese Academy of Social Sciences (CASS). From 1991 to 2020, according to the forecast, the Chinese economy will maintain its momentum of development until it reaches a period of stable development, with the growth rate gradually slowing down from above eight percent to less than seven percent for an average of 7.5 percent.

According to the report, commissioned by the Chinese Government, the economic surge will be led by the communications and transportation sector, and supported by an even development of agriculture and progress in the light and heavy industries.

In the future, the redistribution of national income will be biased for enterprises and bank savings will increase faster. The growth of consumption of residents will exceed the growth of income after 2020.

Experts predicted that the sustainable economic growth will be bolstered by huge investment, which is expected to grow by 11 percent, eight percent and 7.6 percent in the coming three decades.

The government's twin policies of economic reform and opening to the outside world, as well as China's huge internal market, will also be the contributing factors to the rapid growth.

Economic expansion will be accompanied by moderate price hikes, the report states, but inflation can be controlled within bounds.

The population growth will be the biggest problem China will face in the future. The total population is projected to reach 1.5 billion by the year 2020.

The study was conducted jointly by the Chinese Government, the CASS and two U.S. universities based on data from China's State Statistic Bureau and the World Bank and on the constant prices in 1980.

Southeast Asia & Pacific

State Councillor Li Tieying Meets Fijian Guests

*OW0504082493 Beijing XINHUA in English 0813
GMT 5 Apr 93*

[Text] Beijing, April 5 (XINHUA)—Chinese State Councillor and Minister in Charge of the State Commission for Economic Restructuring Li Tieying met and had a friendly conversation with Ilai Kuli, minister of information, broadcasting, television and telecommunications of Fiji, and his party here this afternoon.

Kuli and his party arrived here last Saturday [3 April] as guests of the Chinese Ministry of Radio, Film and Television. In addition to Beijing, they will also visit Tianjin and Shenzhen.

Chen Junsheng Meets Burmese Agricultural Group

*OW0304094493 Beijing XINHUA in English 0929
GMT 3 Apr 93*

[Text] Beijing, April 3 (XINHUA)—Chinese State Councillor Chen Junsheng met and had a friendly conversation with an agricultural delegation from Myanmar [Burma] here this afternoon.

The delegation is headed by Lieutenant General Myint Aung, minister of agriculture of Myanmar.

Chinese Minister of Agriculture Liu Jiang was present at the meeting.

Myint Aung and his party arrived in Beijing April 1 as guests of the Chinese Ministry of Agriculture. In addition to Beijing, they will also visit Shanghai and Shenzhen.

CPC Delegation Leaves for Vietnam, Laos

*OW0504035793 Beijing XINHUA in English 0238
GMT 5 Apr 93*

[Text] Beijing, April 5 (XINHUA)—A cadres' delegation of the Communist Party of China (CPC) left here this morning on friendly visits to Vietnam and Laos at the invitation of the Communist Party of Vietnam and the Lao People's Revolutionary Party.

The delegation is headed by Wang Weicheng, member of the CPC Central Committee and director of its Policy Research Office. During their visits, they will exchange views on economic development strategy and other issues with departments concerned in the two countries.

Deputy head of the International Liaison Department of the CPC Central Committee Zhu Shanqing, Lao Ambassador to China Ponmek Dalaloi and Counsellor of the Vietnamese Embassy in Beijing Tran Xuan Nhiem saw them off at the airport.

Malaysian-Chinese Friendship Association Meets

*OW0404135893 Beijing XINHUA in English 1221
GMT 4 Apr 93*

[Text] Kuala Lumpur, April 4 (XINHUA)—Mutual understanding is very important to the peoples of different cultural backgrounds, Deputy Home Minister of Malaysia Megat Junid said here today.

He made the remark when officiating the first meeting of the members of the newly-founded Malaysian-Chinese Friendship Association (MCFA).

He said MCFA is entrusted with the task of promoting friendship between the two countries and national unity in Malaysia, a multi-ethnic country.

He praised China for its concentration on economic development and said the objective of making Malaysia a developed nation by the year 2020 will unite all ethnic groups of Malaysia in their common cause with none of them concerned about being left behind.

In his speech MCFA President Usman Awang said the motive of MCFA is to enhance the long-standing friendship between the two countries.

He said the government's support and positive reaction from the public have helped MCFA to grow from 30 members several months ago to over 600 now.

Malaysian-Chinese friendship is a general trend of events as it is in the interests of stability and economic growth of Malaysia and China and peace in the region.

MCFA was founded on December 30 last year to increase exchanges in cultural, economic, educational, sports, health and tourism areas.

The meeting today elected the MCFA council for 1993/94. Well-known Malaysian writer and poet Usman Awang was re-elected MCFA president.

Present were MCFA member and Deputy Works Minister Kerk Choo Ting and Chinese Ambassador to Malaysia Jin Guihua who is also an honorary MCFA advisor.

New Zealand Premier Comments on China's Economy*OW0504133293 Beijing XINHUA in English 1235 GMT 5 Apr 93*

[Text] Wellington, April 5 (XINHUA)—“China has taken the industrial revolution which took the West a century to implement, and plans to compress it into a couple of decades,” New Zealand Prime Minister Jim Bolger said today.

Addressing the “Asia-Pacific Insight Dinner” of the New Zealand Institute of Economic Research, in Auckland tonight, Bolger said as China’s economic boost came on stream it would increasingly provide a stabilizing influence for the whole Asian-Pacific region—offsetting to some degree adverse economic conditions in Western economics.

The economic growth in the whole of Asia had made an interesting study in how far perceptions of many New Zealanders have lagged behind reality.

In this aspect, “nowhere is this more so than in China, a giant nation which is starting to gather economic momentum,” Bolger said.

China had been “characterized not by the Stalinist architecture of previous regimes, but by skyscrapers and mirror-fronted buildings,” Bolger said, citing facts he was told that China would spend nearly a trillion N.Z. dollars (530 billion U.S. dollars) before 1995.

The prime minister also noted that China even had 80 hydroelectric projects, 21 new railroads, four deep-sea ports, and 14 petrochemical complexes on the drawing board for recent years.

Especially in China’s special economic zones, the economic growth has been in some cases hitting 40 percent a year and wages there were also rising very fast.

Bolger stated by the year 2000, Asia would be larger trading bloc than either America or the European Community. “With China and India, I believe it has the capacity to double again over the next 25 years,” on the basis that Asia’s share of world trade had already doubled in the past 25 years.

West Europe**More on Austrian Chancellor Vranitzky’s Visit****Meets Huang Ju in Shanghai***OW0304144093 Beijing XINHUA in English 1415 GMT 3 Apr 93*

[Text] Beijing, April 3 (XINHUA)—Austria is very interested in participating in the development of Pudong in Shanghai, visiting federal chancellor of the Republic of Austria, Franz Vranitzky, told Shanghai’s mayor, Huang Ju, this evening.

Shanghai is one of the most dynamic cities in the world, and its ambitious development plan has attracted world-wide attention, Vranitzky said at a meeting with Huang.

Austrian companies were willing to set up more joint ventures with Shanghai on a broader basis, said Vranitzky who arrived in the city Friday [2 April] accompanied by Chen Minzhang, chairman of the Chinese Government reception committee and minister of public health.

Huang welcomed the chancellor, saying Shanghai has ushered in a new era of economic growth.

During the day Vranitzky and his party visited a Sino-Austrian joint venture, a hospital funded by the Austrian Government and Lujiazui Financial and Trade Center in Pudong area.

The Austrians began their China trip with a one day tour of the Shenzhen Special Economic Zone in coastal Guangdong Province where Li Youwei, mayor of the city, briefed them on Shenzhen’s development.

The chancellor expressed appreciation for Shenzhen’s achievement, noting that this shows the success of China’s policies of reform and opening up to the outside world.

Meets Jiang Chunyun in Shandong*SK0504055293 Jinan Shandong People’s Radio Network in Mandarin 2300 GMT 4 Apr 93*

[Text] On the morning of 4 April Jiang Chunyun, member of the CPC Central Committee’s Political Bureau and secretary of the Shandong Provincial CPC Committee, and Governor Zhao Zhihao cordially received Austrian Chancellor Franz Vranitzky and his entourage in Jinan’s Nanjiao Guesthouse. Both host and guests held a cordial and friendly talk at the reception.

During the reception, Jiang Chunyun delivered a speech in which he expressed warm welcome for Chancellor Vranitzky’s visit after a long-distance trip. He said: There is a traditional friendship between Shandong and Austria. The China Heavy-Duty Auto Corporation that has had technical cooperation with the Steyr Auto Company of Austria has successfully produced Steyr cars. This indicates that the friendly and cooperative relations between the two countries has entered a new stage. His Excellency the Chancellor’s visit will certainly further promote the steady development of friendly and cooperative relations between the two countries.

Chancellor Vranitzky also made a speech in which he extended thanks for the warm and friendly reception given by Jiang Chunyun and Zhao Zhihao. He said: The reform and opening up conducted by China have drawn great attention from all countries in the world. Austria and China have established a close and friendly cooperative relationship for a long time. His country is satisfied with the development of relations in the past and at present and is fully confident in future prospects.

Attending the reception were Chen Minzhang, chief of the escort group and minister of public health; He Guangyuan, minister of machine-building; Rui Xingwen, vice minister of planning; Wang Yuyan, vice governor of Shandong Province; Hu Benyao, the PRC's ambassador to Austria; Cai Shiqing, president of the China National Automotive Industry Corporation; Ferdinand Lacina, Austrian minister of finance; Dietrick Bukowski, Austrian ambassador to China; and president of the Austrian Steyr Auto Company.

Premier Li Peng invited Chancellor Vranitzky to visit. He arrived in Jinan by plane from Shanghai Municipality on the morning of 4 April. That morning, he attended the celebration marking the 10th anniversary of the founding of the China Heavy-Duty Auto Corporation. He also attended the ribbon-cutting ceremony for putting the equipment offered by the Austrian auto company into operation. At 1200, he attended the welcoming banquet hosted by the provincial people's government and the China Heavy-Duty Auto Corporation. That afternoon, accompanied by Governor Zhao Zhihao, he visited the Danjiazhuang plant of the China Heavy-Duty Auto Corporation and toured Jinan. He then left Jinan by special plane for Beijing Municipality.

Greeting or seeing Chancellor Vranitzky off at Jinan's airport were Governor Zhao Zhihao and Vice Governor Wang Yuyan.

Arrives in Beijing

OW0404130893 Beijing XINHUA in English 1250
GMT 4 Apr 93

[Text] Beijing, April 4 (XINHUA)—Franz Vranitzky, federal chancellor of the Republic of Austria, arrived here today by special plane from Jinan, Shandong Province, to continue his official visit in this country.

The federal chancellor was accompanied by Chen Minzhang, chairman of the Chinese Government reception committee and minister of public health.

Vranitzky and his party were greeted at the airport by Chinese Vice-Foreign Minister Jiang Enzhu.

Earlier today, Vranitzky and his party went to Jinan, capital of Shandong Province, to attend a ceremony marking the state approval of a cooperative project between China and Austria.

The "Steyr" automobile project, with the largest-scale technology import from Austria, was launched in 1986 and has involved a total investment of 900 million yuan (158 million U.S. dollars).

A Chinese auto company plans to produce 4,000 Steyr automobiles this year and 77 percent of the parts on these automobiles will be Chinese made.

In the afternoon, the Austrian federal chancellor visited the Steyr automobile general assembly plant in Jinan.

The Austrian visitors have also visited Shenzhen and Shanghai.

Meets Li Peng

OW0504082193 Beijing XINHUA in English 0806
GMT 5 Apr 93

[Text] Beijing, April 5 (XINHUA)—Chinese Premier Li Peng said here today that the Chinese Government attaches importance to developing its relations with Austria.

China also takes a positive attitude towards furthering bilateral economic relations and trade, he said.

Li made these remarks during his two-hour talks with visiting Austrian Federal Chancellor Franz Vranitzky in the Great Hall of the People here this morning.

He said he was pleased to note that since the two countries established diplomatic relations 20 years ago, bilateral cooperation in all fields has been good on the whole.

The past two years, he noted, saw increasing mutual contacts and greater areas of cooperation.

Li Peng said Vranitzky is the first Austrian head of government to visit China, adding, "we are convinced that this visit will surely play an important role in promoting bilateral ties."

During the visit by Vranitzky, he said the two sides will sign a number of agreements which he believed will help push forward bilateral economic cooperation and trade.

Li said the Austrian entrepreneurs who are accompanying the federal chancellor on the visit will contact their Chinese counterparts, establish ties and get to know each other's needs during the visit.

This will be of great importance to bilateral cooperation, he added.

The Chinese premier expressed the hope that the Austrian side will not neglect the potentials of China's small and medium-sized enterprises and township enterprises while attaching importance to their cooperation with the large ones.

He said China will provide Austrian investors with a good investment environment and protect their interests as well.

Vranitzky said the Austrian side will try its best to enhance bilateral relations, economic ties and trade in particular.

It also desires to cooperate with China in establishing joint ventures, he said.

During the talks he told Li that he started his visit from the southern parts of China. He has visited Shenzhen, Shanghai and Jinan, which has enabled him to get a more practical understanding of China.

The visit, Vranitzky said, will write a new chapter in the history of bilateral relations and will also be an important symbol of the development of such relations.

The two prime ministers also exchanged views on international and regional issues of common interest.

Referring to the prediction that peace will come after the cold war, Li Peng said facts show that the world is far from tranquil and the international situation is becoming more turbulent and complicated.

He reaffirmed China's independent foreign policy of peace, saying that it is willing to develop its relations with countries all over the world on the basis of the Five Principles of Peaceful Coexistence.

He stressed that there are broad prospects for China's economic cooperation and trade with European countries including Austria. He also said that he hoped to see stability in Europe.

At the guests' request, Li Peng briefed them on China's relationship with the Commonwealth of Independent States and its principled stand on the situation in the Korean peninsula.

He spoke highly of the just stand that the developing countries had taken at the United Nations Human Rights Commission meeting held in Geneva not long ago and at the just-ended Asian regional human rights meeting in Bangkok.

Vranitzky briefed Li on the present situation in Europe, saying since 1989 profound changes have taken place in Europe, reshaping the political and economic situation and affecting all aspects of life there.

During the talks, Vranitzky invited Li to visit Austria, for which Li expressed thanks.

Prior to the talks, Li hosted a ceremony, welcoming Vranitzky and his party on an official visit to China.

Latin America & Caribbean

Uruguayan Cabinet Ministers Arrive in Beijing

OW0404043093 Beijing XINHUA in English 0345
GMT 4 Apr 93

[Text] Beijing, April 4 (XINHUA)—Gonzalo Aguirre Ramirez, Uruguayan vice-president and president of the Council of State, arrived here by air this morning [4 April] on a six-day official visit to China at the invitation of the Chinese Government.

Accompanying him on the visit are Foreign Minister Sergio Abreu Bonilla and Minister of National Defense Mariano Brito.

Aguirre and his party were greeted at the airport by Chinese Vice-Minister of Foreign Affairs Liu Huaqiu and Vice-Minister of Agriculture Chen Yaobang as well as Uruguayan Ambassador to China Julio Duranona.

Chi Haotian Meets Counterpart

OW0504073093 Beijing XINHUA in English 0705
GMT 5 Apr 93

[Text] Beijing, April 5 (XINHUA)—Chi Haotian, Chinese state councillor and minister of defense, said here today that China is willing to further expand its ties with the Oriental Republic of Uruguay.

He made the remark here this morning in a meeting with Uruguayan Minister of Defense Mariano Brito and his party.

In recent years, the friendly ties between China and Uruguay have been developing quite smoothly, he said.

"Though China and Uruguay are far away from each other, they share the same task of developing their respective economy and improve peoples' living standards," Chi said.

Therefore, the two countries should learn from and help each other in this process of development, he said.

During the meeting, Brito expressed the wish to see further expansion of the bilateral friendly ties.

After the meeting, Chi hosted a dinner for Brito and his party.

Brito arrived in Beijing Sunday [4 April], accompanying Gonzalo Aguirre Ramirez, Uruguayan vice-president, on a six-day official visit to China.

Former Uruguayan President Sanguinetti Arrives

OW0304113393 Beijing XINHUA in English 1124
GMT 3 Apr 93

[Text] Beijing, April 3 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs (CPIFA), held a working talk with Julio Maria Sanguinetti, former president of the Oriental Republic of Uruguay, and his party here today.

The two sides exchanged in-depth views on the friendly ties between the two countries and the two peoples.

Sanguinetti and his party came here Friday as CPIFA's guests Friday [2 April]. They are also scheduled to visit Shanghai, Nanjing and Yangzhou.

Jiang Zemin Meets Sanguinetti

OW0504073393 Beijing XINHUA in English 0646
GMT 5 Apr 93

[Text] Beijing, April 5 (XINHUA)—Chinese President Jiang Zemin met with Julio Maria Sanguinetti, former president of Uruguay, and his party here today.

Sanguinetti expressed his congratulations on Jiang's election to the presidency of the People's Republic of China, saying he believed that bilateral relations between Uruguay and China will experience enhanced development during Jiang's term.

Jiang said that since the establishment of diplomatic relations between the two countries in 1988, the contacts between China and Uruguay have increased and bilateral relations have developed smoothly.

He extended appreciation for Sanguinetti's efforts to develop the friendly relations between China and Uruguay when he was in office as Uruguayan president.

China is willing to develop friendly relations with all other countries on the basis of the Five Principles of Peaceful Coexistence, said Jiang.

He added that China never interferes in other countries' internal affairs and will never allow others to interfere in China's internal affairs.

Sanguinetti expressed his appreciation for China's important role in international affairs.

Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs (CPIFA), held a working talk with Sanguinetti on April 3.

Sanguinetti and his party came to Beijing on April 2 as CPIFA's guests. They are also scheduled to visit Shanghai, Nanjing and Yangzhou in East China.

Political & Social

Wang Dan Reportedly Detained for Two Days

HK0304024693 Hong Kong SOUTH CHINA
MORNING POST in English 3 Apr 93 p 8

[Report by Geoffrey Crothall in Beijing]

[Text] Former student leader and democracy activist Mr Wang Dan was detained for two days in Guangzhou after he attempted to return to Beijing before the conclusion of the National People's Congress (NPC).

Mr Wang, who had been sent on an enforced "vacation" in southern China two days before the congress opened, was arrested at Shenzhen's Huangtian airport as he was about to board a plane to Beijing on March 29 and was taken to a detention centre in the centre of Guangzhou.

The 23-year-old former history major at Beijing University was held for 48 hours before being allowed to return to the capital on Thursday, one day after the NPC closed.

"They really did not want me to be in Beijing during the NPC," Mr Wang said last night.

Speaking at his parents' small apartment, Mr Wang said he had staged a four-hour hunger strike in protest against his "illegal detention".

"I only agreed to eat again after the leaders promised me I could leave but on condition I did not go back to Beijing before the end of the two meetings (the NPC and the Chinese People's Political Consultative Conference)," he said.

Mr Wang went on what he jokingly referred to as his nanxun, or imperial southern tour, after his mother's work unit, the Revolutionary History Museum, had been presented by the authorities with 3,000 yuan (about HK\$3,900) and told to organize a trip for the troublesome Mr Wang.

Accompanied by his brother-in-law and constantly shadowed by the police, Mr Wang first flew to Haikou, the capital of Hainan Island, then on to the resort town of Beihai and the capital of Guangxi, Nanning.

The entourage then travelled to Guangzhou and finally Shenzhen. Mr Wang said he only spent one day in the Special Economic Zone and did not get too close to the border with Hong Kong because, "that would have been asking for trouble".

"Southern China is much better than the north both politically and socially," he said.

"The south is the future hope of China."

Mr Wang, who was released from nearly four years in jail on February 17, spent most of his time in the south either on the road or catching up with old friends and said he had very few opportunities to read the news from the NPC.

He did say, however, that he was encouraged by comments from the two new leaders of the NPC and CPPCC, Mr Qiao Shi and Mr Li Ruihuan, on strengthening the supervisory role of the legislature and its advisory body.

"In promoting democracy, I will concentrate on individual activities that are within the law," he said.

"However, that kind of activity is rather limited in China at the moment," he added.

Mr Wang said he still hoped to return to his studies at Beijing University some time but thought it was unlikely the college would re-admit him.

Underground Priest Released 'On Parole'

HK0304023693 Hong Kong SOUTH CHINA
MORNING POST in English 3 Apr 93 p 1

[Report by Willy Wo-lap Lam]

[Text] Beijing has paroled a leading organizer of the underground Catholic church in an apparent bid to conciliate Western opinion.

Father Pei Ronggui, 55, was a key figure in the so-called Youtong incident of April 1989, when at least 3,000 police cracked down on "illegal" religious activities in the village near Shijiazhuang, Hebei Province.

The news of Father Pei's "release on parole" on Wednesday was relayed by Chinese authorities to Hong Kong-based human rights lobbyist, Mr John Kamm.

However, Mr Kamm and other experts on the underground church said there were still other priests and lay workers in detention.

Two months before the Tiananmen Square crackdown, the Hebei police decided to break the back of Catholicism in Youtong, a stronghold of the Trappists for decades.

On March 18, 1989, the Youtong faithful set up a tent-like structure of worship in a local primary school on territory they claimed properly belonged to the church.

One month later, 3,000 police armed with electric prods and water cannon sealed off the village and beat up the worshippers. Two were killed, 88 suffered severe injuries, and 32 were arrested.

Father Pei, who was not arrested until July that year, was sentenced to five years in Hebei No. 4 Reform-Through-Labour camp.

Mr Kamm, who has repeatedly campaigned for the priest's release, said all those arrested in the Youtong affair had been set free.

"The Pei release is good news because I have raised his case with the Ministry of Justice at least 12 times," he said yesterday.

Mr Kamm, who was in Beijing last month, said the authorities might have decided to parole the religious leader for a variety of reasons.

For example, a new head of the Religious Affairs Bureau, Mr Zhang Shengzuo was installed last October and Beijing might want to reduce tension with the Vatican.

"Beijing may want to appease Western opinion in light of its bid for the Olympics," Mr Kamm said. "Moreover, several American congressmen with Roman Catholic backgrounds have been putting pressure on the authorities to release the clerics".

Dissident Journalist Sues Shanxi Party Secretary

HK0504104093 Hong Kong AFP in English 1004 GMT
5 April 93

[Text] Beijing, April 5 (AFP)—A Chinese dissident journalist began court proceedings Monday [5 April] to sue the Communist Party leader of northern China's Shanxi Province for alleged slander, his friends here said. Yin Jin, 35, former Shanxi bureau chief for the Hainan Economic Daily, will also send a letter to United Nations Secretary General Butrus Butrus-Ghali urging him to address human rights violations in China, the friends said.

Yin filed suit against Shanxi party Secretary Wang Maolin in the provincial high court. Wang, 56, is also a member of the elite Communist Party Central Committee. According to a copy of the suit obtained by AFP, Yin claimed that Wang's actions after the 1989 Tiananmen Square crackdown led to his illegal detention for 13 months, during which he was beaten and temporarily paralysed. Wang "belittled the law, abused his powers (and) unreasonably and rudely trampled on human rights," the suit said.

Yin was active in the pro-democracy movement, which also spread to Shanxi's capital, Taiyuan. He wrote several petitions and articles, one of which exposed Wang's allegedly corrupt lifestyle. Wang, who was at the time deputy party chief, is accused of slandering Yin at a meeting a month after the June 1989 Tiananmen Square crackdown, allegedly calling the reporter the "dregs of society" and a "hooligan." He also accused Yin of "inciting turmoil" during protests, an accusation that was later published by the provincial state-run media.

Yin wants the party chief charged with slander, a restoration of his honor in the state media and a total of 130,000 yuan (22,000 dollars) in damages for mental anguish, medical expenses and loss of income. Other dissidents have tried unsuccessfully to bring criminal charges against provincial and central leaders, but the courts have rejected them all.

Yang Shangkun Warns of Possible CPC 'Crisis'

HK0204151993 Hong Kong CHING PAO in Chinese
No 4, 5 Apr 93 pp 36

[Report by Chen Chie-hung (7115 3381 1738): "Yang Shangkun Says Crisis Exists within CPC"]

[Text] When this report reaches the readers, former Chinese President Yang Shangkun will have retired from politics in name. The following are excerpts of a speech Yang Shangkun made at a meeting held by several CPC Central Committee research centers in early March.

Yang Shangkun bluntly pointed out: Hegemonism and power politics are unhappy to see a reunified, prosperous, and strong China. We are now able to cope with subversion and interference by foreign forces. However, should China have a crisis in the future, that crisis will certainly be an inner-CPC crisis. Sources said that copies of Yang Shangkun's speech were submitted to Deng Xiaoping, Chen Yun, Peng Zhen, and all CPC Central Committee Political Bureau Standing Committee members for reference before the meeting was held. Here are some excerpts of Yang's speech:

China Is Likely To Witness Turmoil

Yang Shangkun said: When some comrades within and without the CPC and some overseas friends asked us whether China will witness a political crisis or even turmoil in the future, I replied: It is possible. Within the party, both central party leadership and local party leadership are likely to witness a crisis or even turmoil. Failure to have problems within the ruling party thoroughly resolved will inevitably trigger off contradictions within the ruling party. If this is the case, foreign forces will certainly seize every opportunity to heat up and intensify such contradictions. This will in turn give rise to a crisis or even partial or localized turmoil. To prevent and cope with such a crisis or turmoil, the communist party must take the necessary measures to step up party building and political structural reform and to perfect the legal system perfection. In a nutshell, the party must adhere to the basic line of one center, two basic points.

To Make a Success of Economic Construction

Yang Shangkun stated: In the revolutionary war years, we were able to correctly understand the mission of the communist party, put the interest of the party and people before everything else, seek no personal fame or gain, and demonstrate the true qualities of Communist Party members or revolutionary soldiers. During the initial period of the PRC, we were also able to overcome difficulties caused by both the enforced blockade and the cold war launched by imperialism. Many a comrade was also attacked and persecuted by the ultra-Left line during the construction period. Even at that time, those comrades still showed concern for the interests of the party and people and displayed the staunch belief of Communist Party members. Today, in a new historical period, though the bipolar cold war has basically ended, the

global strategy of hegemonism and power politics has remained unchanged. Faced with such a complex global political situation we must have firm faith, implement Comrade Deng Xiaoping's strategic decisions, seize every opportunity, and strive to push the economic construction onto a new stage as early as possible. Should we fail to develop the economy, we will have no right to speak in the world and will be manipulated by other countries. Moreover, should we fail to develop the economy, we will inevitably encounter social and political turmoil. The most glaring example is that no sooner had Russia's economic reform come across resistance and difficulties than troubles turned up.

Yang Shangkun added: Comrade Xiaoping has attached great importance to building clean government and inner-party solidarity. Inner-party disputes or strife in disregard of principles will certainly undermine the party's central work. So long as we continue to follow a correct line, enhance inner-party solidarity, successfully develop the economy, perfect the structure, and strengthen the legal system, we will certainly be able to reduce the danger of peaceful evolution. Comrade Xiaoping said: The pluralistic political structures implemented in various countries in the world prove that so long as the line is commensurate with the national conditions and the policies are beneficial to the people, there will certainly be social stability and economic growth. Incorrect policies will only give rise to economic backwardness and national disintegration. A corrupt ruling party coupled with foreign intervention will cause instability in a country and make the people suffer.

According to sources in Beijing, Yang Shangkun's speech was unmistakably directed at certain inner-party problems.

Deng Said To Miss Ceremony Due to 'Minor Problem'

HK0504024293 Hong Kong SOUTH CHINA MORNING POST in English 5 Apr 93 p 6

[Report by Willy Wo-lap Lam]

[Excerpt] Patriarch Mr Deng Xiaoping and former president Mr Yang Shangkun have missed the annual tree-planting ceremony in Beijing.

However, almost the entire politburo, including disgraced former military strongman General Yang Baibing, showed up for the greening ritual in Biyu Park in the centre of the city.

And the media highlighted the core status of party General Secretary Mr Jiang Zemin, who replaced Mr Yang Shangkun as head of state at the recent National People's Congress (NPC).

Some diplomatic observers in Beijing believed Mr Deng, 88, did not attend the closing ceremony of the NPC last Wednesday [31 March] because of ill health. However,

they agreed it was a minor problem, and the patriarch was not affected by a serious illness.

Mr Deng has not attended the greening ritual, which began 15 years ago, since the spring of 1988. However, it was the first time that Mr Yang, 86, who is noted for his robust health, had missed the ceremony.

It is believed the former president wanted to underscore the fact that he had completely retired. [passage omitted]

Party, Government Leaders Plant Trees in Beijing

OW0404210293 Beijing XINHUA Domestic Service in Chinese 0625 GMT 4 Apr 93

[By reporters Zou Aiguo (6760 1947 0948) Zheng Qingdong (6774 1987 2639)]

[Excerpts] Beijing, 4 Apr (XINHUA)—Today some more trees were planted in Beijing's Biyu Park which is now under construction and located in Chaoyang District. Comrades Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, Wan Li, and others came here this morning to plant 84 Chinese pines, sorders, snow pines, oriental arborvitae, safflowers, willows, and Chinese scholar trees with the masses in the capital.

In April, the weather is glorious and trees are in green leaf in the capital. At 0950, Jiang Zemin and other comrades came by station wagon to Biyu Park, which is 10 km from the downtown area, to participate in planting trees.

Comrades Jiang Zemin, Qiao Shi, Wan Li, and others planted a Chinese pine together. Chen Xitong explained to them that this Chinese pine is 50 years old and has just been transplanted from another place. Jiang Zemin spoke approvingly: "Pine trees are good because they have deep roots and luxuriant leaves." Wan Li packed it with earth, energetically using a spade. Jiang Zemin and Chen Xitong advised him: "Slow down a bit." Wan Li asked with a smile: "Is planting trees more exhausting than playing tennis?" Jiang Zemin said: "Playing tennis is a kind of sport while planting trees is manual labor. They are different."

They talked cheerfully while planting trees. Chen Xitong asked Jiang Zemin: "How many times have you participated in a tree-planting activity in Beijing Municipality?" Jiang Zemin replied: "This is the fourth since 1990." Then Jiang Zemin held the spade and looked toward the distance. Seeing budding willows swaying with the wind, he casually recited the following couplet: "As myriads of willow branches dance in spring breeze, millions upon millions of people across the Divine Land emulate the dedication of Shun and Yao [legendary emperors in ancient China] to their motherland." He said: "Planting trees to green our motherland is an undertaking that will benefit our offspring. We should

work incessantly and stick to it. In fact, we came here to plant but a few trees. What we really want is to promote a general mood."

Li Peng came to the pit side of a big Chinese pine and made a hill with a spade together with Liu Huaqing and other comrades. After a while, they planted five trees. Talking to Beijing Mayor Li Qiyang while watering a little tree, Li Peng said: "Beijing should pay close attention to greening work. In the future, the greening areas need to be expanded and environmental protection needs to be strengthened. We should work hard and truly expend our efforts in greening work and environmental protection, so as to establish an even cleaner and more charming capital." Liu Huaqing asked Li Qiyang about the progress of Beijing's bid for hosting the 2000 Olympic Games. Li Qiyang replied: "It has progressed smoothly. The prospect is promising; however, it is still a difficult task." Liu Huaqing said: "Do not relax our efforts; we must take every step confidently."

While planting trees, Comrades Qiao Shi, Li Ruihuan, Zhu Rongji, Hu Jintao, and others asked with concern about the construction in Beijing over the years. Qiao Shi successively planted several Chinese pines. The staff members asked him to take a rest. He kept on working with a spade and said: "After planting these trees, I will take a rest." Li Ruihuan, who sweated profusely because he was working so hard, straightened his back after planting the fifth tree. Comrades in Beijing told this "old Beijing hand": "Beijing has changed a lot over the years and has especially scored achievements in its urban construction." He exhorted them: "It is necessary to continue to pay close attention to and do a good job in urban construction, as well as catch up in greening work. Beijing has done a pretty good job in greening work over the years. We should continue to exert ourselves so as to scale new heights." [passage omitted]

Also participating in today's planting activity were: Ding Guangen, Tian Jiyun, Li Lanqing, Li Tieying, Yang Baibing, Qian Qichen, Wei Jianxing, Wen Jiabao, Wang Hanbin, Zhang Zhen, Ren Jianxin, Chi Haotian, Song Jian, Chen Junsheng, Ismail Amat, Peng Peiyun, Luo Gan and others.

NPC Election, Qian Qichen's Popularity Viewed

HK0504083093 Beijing FAZHI RIBAO in Chinese
30 Mar 93 pp 1, 4

["Features on the Two Sessions" by staff reporters Yan Jun (7051 6511), Li Qun (2621 5028), and Teng Chao (3326 6389): "Sacred Election on the Third Day"]

[Text] On the afternoon of 29 March, the First Session of the Eighth NPC [National People's Congress] entered the final stage of elections for the new term of government.

The newly elected Vice Chairman Tian Jiyun was the executive chairman at today's meeting. He presided over all agenda items at today's meeting in an orderly way.

These reporters specifically noted that although today's meeting would only go through three items, they proceeded in strict accordance with legal provisions, and different forms were used for voting and elections.

Qian Qichen, the Pride of the Chinese People

The meeting, first of all, decided on the constituent members of the State Council in keeping with State Council Premier Li Peng's nominations.

The meeting read out the letter naming persons nominated by Premier Li Peng and the draft of the amended Constitution of the PRC. Each deputy then received two ballots of different colors, and ethnic minority deputies had papers written in their own script, which were specifically prepared by the session for reference purposes.

Ballot box examining, voting, and vote counting proceeded smoothly. The results all came out in a short time.

A total of 2,898 deputies were present at today's meeting. The 53 persons nominated by Premier Li Peng were all approved, and "cabinet members" of the new government emerged with warm applause.

There was a little sidelight during the election. Qian Qichen, who has had a career in diplomatic circles for nearly 40 years, won good prestige for China in the world through his outstanding diplomatic abilities during his previous term. Being resolute and courageous, intelligent, natural and unrestrained, and fully charismatic, he is the pride of the Chinese people. Today, in the two elections for vice premier and foreign minister, he got the highest votes. When work personnel read out the results, there was an unexpectedly warm applause in the audience.

Not only Qian Qichen, but other "cabinet members" elected today are also heartening. The average age of the newly elected vice premiers and state councillors is 61.4. The average age of persons in charge of the 41 ministries and commissions is 58.3, 0.7 year younger than that in the previous term [of government], and 13 persons are aged below 55, six more persons than the previous term. Eight persons have assumed more than one post; 19 were reelected; and 22 were newly elected. Three are of ethnic minorities, and three are women cadres.

The Amendment of the Constitution Proceeds in Strict Accordance With Legal Procedure

China's 1993 amendment of the Constitution, which drew worldwide attention, proceeded in strict accordance with legal procedure and was a complete success.

In the majority of countries around the world, the amendment of the constitution must proceed with extreme care. The constitution is the fundamental law of a country and must retain its stability and authoritative-ness. Amendments will not be made unless they are absolutely necessary. Therefore, all countries have laid

down strict legal provisions regarding the procedure of amending their constitutions. This is mainly reflected by the strict limitations on how amendments to the Constitution are put forward and how amendments are approved.

In view of this, China's Constitution also strictly provides that the amendment of the Constitution is only within the scope of the functions of the NPC. Any proposal for the amendment of the Constitution can only be made by the NPC Standing Committee or by over one-fifth of the total number of NPC deputies. It is different from other proposals which can be put forward by one deputation only or by more than 30 deputies who jointly sign them.

Moreover, the adoption of the amended contents of the Constitution must have more than two-thirds of the votes, the majority of NPC deputies.

China's 1993 amendment of the Constitution proceeded precisely in strict accordance with the legal procedure. So far, the amendment of the Constitution has gone through several stages: On 14 February, the CPC Central Committee put forward to the Standing Committee of the Seventh NPC a proposal on amending some contents of the Constitution. The Standing Committee of the Seventh NPC agreed to the proposal, put forward a draft for the amended PRC Constitution, and decided to request the First Session of the Eighth NPC to examine and approve it. During the NPC session, with lively discussion, the deputies agreed to the NPC Standing Committee's draft for the revised amended Constitution and the supplementary proposal put forward at another time by the CPC Central Committee on amending some contents of the Constitution. On 23 March, 2,383 deputies put forward the supplementary revised proposal on the draft for the revised Constitution in light of the supplementary proposal by the CPC Central Committee. After the voting at the meeting of the presidium, the presidium combined the draft for the revised Constitution originally put forward by the NPC Standing Committee and the supplementary revised proposal put forward by deputies into a new draft for the revised Constitution and submitted it to various NPC deputations for examination and approval.

After going through so many processes, today, 2,898 NPC deputies solemnly voted on the draft for the revised Constitution and adopted it by far more than two-thirds votes.

Now, the objectives of China's reform and opening up have further been defined and strengthened in the fundamental law of China, and China's reform and opening up will have more success with safeguards from this fundamental law.

The Premier: The Media Should Strengthen Supervision

The meeting also approved, by the pressing of the voting machine, the lists of constituent members of the six

special committees (those for the other two [committees] were approved several days earlier) of the Eighth NPC. The lists of persons were nominated by the presidium to the deputies and were approved by more than half of the total deputies. It is learned that the Sixth NPC had six special committees and the Seventh NPC had an additional Internal and Judicial Affairs Committee. This time, the Environmental Protection Committee has been added. This shows that the NPC is bringing into further play and strengthening the roles of the various special committees.

When the election ended, there was a lively atmosphere in the audience. Now the meeting reached high tide and all constituent members of state organs for the new term have all been elected.

We saw that on the rostrum, Premier Li Peng and four other vice premiers gladly accepted an interview with reporters of the Central Television Station. Reporters of other information units also hurried forward and took photos. The premier and his assistants [vice premiers] felt relaxed and comfortable and smilingly answered them.

Premier Li Peng said: I am very happy to be able to work with the four vice premiers. He and Zhu Rongji, Zou Jiahua, Qian Qichen, and Li Lanqing expressed a common feeling: They thanked the people for their trust and said they will do their utmost to serve them.

Finally, the program hostess of the Central Television Station asked: Premier Li, could you tell us how you view our work? The premier said with a smile: We welcome the media to supervise our work.

A number of reporters hurriedly asked the premier to allow them to pose for a photo with him. Then the program hostess gave up her seat, and the premier and vice premier tacitly coordinated, greatly touching the photographers present at the meeting.

Quality of New-Generation Leaders Praised

HK0304050093 Beijing ZHONGGUO XINWEN SHE in Chinese 0757 GMT 30 Mar 93

[By staff reporter Guo Weifeng (6753 0251 6912)]

[Text] Beijing, 30 Mar (ZHONGGUO XINWEN SHE)—Performance of the new generation of Chinese leaders at the current National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] can be summed up in the following: Praiseworthy. We can say that they have, in the eyes of the masses, surpassed the elegant demeanor and charm of the past.

First, they have showed their amicability, winning the acclaim of the people. Jiang Zemin, Qiao Shi, and Li Peng have held forums with delegations and listened to the views from all quarters almost every day over the past 10 days or so. The CPPCC literature and art circle,

regarded by the literature and art circles as a "forgotten corner," finally greeted for the first time in more than a decade the CPC general secretary, who joined the panel meeting, listened to members' views, and jointly sang "Unity is Strength," evoking strong repercussions from literature and art circles nationwide.

Second, they have increased their transparency in government administration. It is not difficult to find that the new generation of Chinese leaders have made a great many speeches during the two sessions, fully indicating their determination and confidence in government administration. Moreover, Chinese and foreign reporters were allowed to cover the elections of the CPPCC, NPC, and State Council members and make them public to the outside. After being elected, Premier Li Peng and vice premiers Zhu Rongji and Zou Jiahua gave interviews to television reporters, expressing their determination to do administration well.

Third, the new generation of Chinese leaders have displayed their unity. The list of vice chairmen of the the NPC and CPPCC fully displays the image of unity of all nationalities and cooperation between various parties. Rong Yiren assumed the office of vice president, while An Zijie, Henry Fok, and Ma Man-kee assumed the offices of vice CPPCC chairmen, showing the world that China has entered a period of unprecedented unity.

Fourth, they have manifested their strong national character. In this regard, they have received the highest marks from the Chinese people. While dealing with the Hong Kong issue, "Taiwan independence," and international issues, their attitude of upholding the unity of the Chinese nation remained rock firm. This was particularly true in dealing with the disturbance stirred up by the British side and the British Hong Kong authorities on the question of Hong Kong's political system. Their firm position won the acclaim of the Chinese people.

Fifth, they displayed their openness. Most of the new generation of leaders have received higher education, are very familiar with international issues, and are proficient in foreign languages. Their speeches and deportment have left a good impression abroad. It is all the more important that their determination for opening up has been fully displayed during the two sessions.

At the time when the two sessions are about to end, millions upon millions of Chinese people have cast their vote supporting the new generation of state leaders. Under the favorable situation of great harmony, it is predictable that China, led by the helmsmen of the new generation, will enter the golden era!

Zhu Rongji Holds Talks With Hubei NPC Deputies

OW0304060693 Beijing XINHUA Domestic Service in Chinese 1244 GMT 30 Mar 93

[By reporters Zheng Qingdong (6774 1987 2639) and Fang Zhengjun (2455 2398 6511)]

[Text] Beijing, 30 Mar (XINHUA)—This afternoon, deputy Zhu Rongji, member of the Standing Committee of the CPC Central Committee Political Bureau and vice premier of the State Council, went to the place where Hubei deputies to the First Session of the Eighth National People's Congress stayed and held discussions with them.

The deputies extensively and thoroughly expressed their opinions on quickening the pace of national economic development and improving our country's population quality. They also presented their demands regarding the development of local economies and other matters to the CPC Central Committee and the State Council.

Comrade Zhu Rongji listened attentively to the opinions of the deputies and indicated the need to thoroughly study and properly solve these problems. He also voiced important views on seizing and cherishing opportunities and on the relations between development and reform.

Li Lanqing Talks With Liaoning NPC Deputies

SK0304000593 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 31 Mar 93

[Text] On the morning of 31 March, at the seat of the Liaoning delegation, Li Lanqing, newly elected vice premier of the State Council, called on the provincial deputies participating in the first session of the Eighth National People's Congress [NPC].

Deputy Yue Qifeng reported to Vice Premier Li Lanqing on the provincial economic development situation. At the talks with Vice Premier Li Lanqing, deputies (Wang Yunfeng), Zhao Xiang, Yan Chunhe, Chang Yi, (Wang Shoubin), and Wen Shizhen successively expressed their views and suggestions on delegating the right to management of foreign export trade to lower levels, readjusting industrial structure, constructing development zones, eliminating environmental pollution, and enlivening large and medium-sized enterprises.

At the talks with the deputies, Vice Premier Li Lanqing said that he had a profound affection for northeast China. Forty-one years ago, during his tour to northeast China with 1,200 students of Shanghai's Fudan University and Jiaotong University, his first stop was in Shenyang. He participated in the construction of Changchun No. 1 Vehicle Manufacturing Plant. Although he left northeast China, he has been concerned with the construction of northeast China.

Vice Premier Li Lanqing said that to elevate Liaoning's economy to a new stage, we should attend to the following few tasks: We should improve the quality of the existing commodities, bring into play the advantages of machinery and electronics products and complete sets of equipment, and expand the scale of exports. Liaoning has abundant scientific and technological forces and many scientific research findings. So, we should turn increasingly more scientific and technological forces and scientific research findings into productive forces in a

faster manner. We should delegate the decision-making right to management of foreign trade to the enterprises and scientific research departments where conditions permit. The foreign trade enterprises and the production enterprises should cooperate. It is necessary to implement varied export principles.

In regard to the construction of the development zones, Vice Premier Li Lanqing said that we should combine the construction of development zones with the transformation of old enterprises. He agreed to the measure for coordinating the transformation of old enterprises with the development of foreign trade and stressed the need to not only keep on developing existing markets but also pioneer new markets.

With regard to the issue of how to enliven large and medium-sized enterprises, Vice Premier Li Lanqing said: The key to enlivening large and medium-sized enterprises is to change the managerial mechanism and to conduct various forms of experimental work.

Commentator On Child Education Discussion

*HK0404071393 Beijing RENMIN RIBAO in Chinese
31 Mar 93 p 1*

["Commentator's article" "Sending Word to Parents and Teachers—Concluding Remarks on Discussion on 'How We Should Educate Children Today'"]

[Text] This paper initiated among readers a three-month-long discussion entitled "How We Should Educate Children Today—Learn a Lesson From the Xia Hui Incident," which came to an end in mid-March of this year. During this period, we received more than 4,000 letters and contributions from across the country. Participants in the discussion included parents, teachers, students, sick old people lying in bed, naive children, scholars, professors, rural women, individual operators, party and government cadres, and officers and soldiers. The readers involved in the discussion came from all walks of life. The discussion also found an echo in the hearts of many people. This shows that the whole society is ardently concerned with education of younger generations.

Successfully educating younger generations is a matter bearing on the happiness of every family, the future of a country, and the destiny of a nation. Since the current generation of children will live and work beyond this century, they will be responsible for attaining China's third-phase strategic development goal. Therefore, each and every family, the whole country, and the whole people have placed high hopes on them, expecting them to become qualified personnel in all disciplines, demonstrate talents and skills, and contribute to all trades and professions in the future. How can such expectations come true? This will depend on how we educate children in families, schools, and society. The recent discussion put this issue before all of us. Through extensive discussions on issues like family education, school education,

and creation of a favorable social environment for children, we explored this issue, exchanged experiences, and reached common understanding on a number of basic points.

The recent discussion was initiated in the wake of the Xia Hui incident as well as other tragedies resulting from inadequate family education. The recent discussion focused on how parents should correctly educate their children. The discussion reminded many parents of a lot of issues. Many of them have now started contemplating their own child education experiences and lessons, adjusting their own methods, paying attention to "setting a good example" for their own children, and setting up new-type mutual-trust relations with their own children. There is no denying the fact that family education remains the point of departure for all types of education. Parents are the first "teachers" of their own children and have a unique role to play in the growth of their own children. The recent discussion revealed that many parents like to set unrealistic or unscientific requirements for children, beat or swear at children, mete out physical punishment to children, pamper or spoil children. Social progress and modernization now urgently require that family education undergo reform and be conducted on a more scientific basis.

School education is at once a key link of human civilization development and an important indicator of social civilization level. School education has been playing a role extremely important in the growth of children. Good teachers, lofty teaching ethics, fine school style, correct education ideology, and scientific teaching methods all have an invaluable effect on the healthy growth of a person. The whole society is now placing ardent hopes on teachers. In order to give full scope to school education, we must continue to deepen education reform, transform education concepts, mobilize enthusiasm among teachers, raise school management standards, and improve the quality of teachers in a down-to-earth manner, this being a point emphasized by all those involved in the discussion.

Society is the big environment in which children grow. Children have more space for their activities now than in the past. This is because a lot of new channels are available for children to obtain information and be influenced. As a result, society now has an unprecedented effect on the development of children. Work aimed at creating a favorable social environment in which children can grow healthy has thus become more complex and urgent than before. Therefore, we are calling for efforts of the whole society in this connection, for efforts made by families and schools alone are far from sufficient for accomplishing this task. We should step up education on patriotism, collectivism, and socialism. We should carry out all sorts of activities beneficial to healthy mental and physical growth of children. We should also learn to employ the weapon of law in this regard. The whole society is duty-bound to implement the "PRC Law of Protection for Underage People." To this end, governments at all levels, people of

all walks of life in society, families, and individuals must restrict and standardize their own behavior in accordance with this law. Neighborhood committees and community education institutions in urban areas as well as villagers' committees in rural areas should also attach great importance to this aspect, and protect legitimate rights and interests of underage people practically, this being a proposal made by many a participant in the discussion.

The discussion has come to an end. However, child education will continue into the future. We hope that party committees and governments at all levels, as well as all quarters of society, will view child education work in a new perspective, from a new altitude, and with a stronger sense of responsibility, and work hard to raise child education work to a new level. Let all of us, including parents and teachers, show ardent concern and love for our younger generations and train more qualified builders and successors for a more prosperous and strong Chinese nation in next century.

Daily Notes 'Great Headway' in Family Planning

HK0304070093 Beijing RENMIN RIBAO in Chinese
25 Mar 93 p 3

[Dispatch by reporter Ai Xiao (5337 4562): "Various Localities Accomplish Family Planning Work Last Year"]

[Text] Beijing, 22 March—During the past five years, all provinces, municipalities, and autonomous in China have made great headway in their family planning work. After China entered the 1990's, some of its family planning indexes have exceeded or approached those of advanced countries. However, because China has a big population base, we must not lower our guard in the future. This was learned by this reporter from the National Conference on Family Planning that opened yesterday.

Relevant statistics have shown that the comprehensive contraception rate of couples at child-bearing age reached as high as 83.4 percent in 1992 (the 1988 rate stood at 71.1 percent); the total number of couples involved in early marriage throughout the country was 2.79 million pairs in 1987, yet the number dropped to 1.45 million pairs in 1992, registering a nearly 50-percent decrease; the late marriage rate of women in 1992 increased from 29.4 percent in 1988 to 36.5 percent, up by 7.1 percentage points; and the number of births exceeding quotas [duo hai chu sheng 1122 1326 0427 3932] across the country decreased from about 4.46 million in 1988 to 2.022 million in 1992. Alongside the development of family planning work, the national birth rate is also going down. During the Seventh Five-Year Plan period, the annual birth rate stood above 20 per thousand every year. Yet it dropped to 19.68 per thousand in 1991 and to 18.24 per thousand in 1992, a record low year since China started practicing family planning.

Among 10 provinces and municipalities which enjoy a fairly sound foundation of family planning and a stable birth rate at a fairly low level are Beijing, Tianjin, Shanghai, Liaoning, Jilin, Heilongjiang, Jiangsu, Zhejiang, Shandong, and Sichuan. These provinces and municipalities have brought their natural population growth rate well below 10 per thousand.

However, there still exist a number of problems which brook no negligence. For instance, the absolute figure of China's new-born population remains large, standing at 22.59 million in 1991 and 21.19 in 1992, both higher than the average number of new-born population of 20.26 million in the 1950's. In addition, China's death rate has been maintained at between 6-7 per thousand. As a result, China's population still remains in a state of "low growth rate, high growth volume."

Peng Peiyun, minister of the State Family Planning Commission, believes that China can bring down the birth level within a fairly short period of time by relying on strong and effective administrative measures. However, such a low birth rate will not be a stable one, for the masses have not yet completely changed their old concept on child birth, and fundamental solutions have yet to be found for a number of practical problems. A slight loosening of control will lead to another rise in the birth rate.

Party-Member, Cadre Corruption Statistics Given

HK0304053093 Hong Kong CHENG MING in Chinese
No 186, 1 Apr 93 p 33

[Article by Chuan Hsun-che (0278 6061 5074): "National Statistics on Corrupt Party Members"]

[Text] On 1 March, the CPC Central Commission for Discipline Inspection submitted to the CPC Central Committee a report on anticorruption and discipline inspection work.

The report said that from 1983 to 1992, discipline inspection organs nationwide had placed a total of over 2.2479 million cases of law and discipline violation on file for investigation and prosecution. More than 1.8 million party members and cadres were punished or tried by courts for discipline violation or corruption, of which 745 were cadres at the provincial and army levels, 7,890 were cadres at the prefecture and division levels, and 56,474 were cadres at the county and regiment levels, and more than 188,100 party members were expelled.

Among these party members and cadres who were investigated and prosecuted, 29.5 percent were accused of corruption, theft, or giving or taking bribes; 15.2 percent were accused of leading a dissolute and degenerate life; and 11.8 percent were accused of abusing their powers for selfish interests, serious bureaucratic practices, or dereliction of duty. In addition, there were cases in

which party members and cadres were investigated for smuggling, gambling, or leaking party, government, or Army secrets.

The report revealed the situation in the various provinces, municipalities, and autonomous regions over the past decade where party members and cadres were investigated. The data were roughly as follows:

Beijing Municipality: Over 23,000;
Tianjin Municipality: Over 16,300;
Shanghai Municipality: Over 18,400;
Hebei Province: Over 102,400;
Henan Province: Over 63,100;
Shanxi Province: Over 83,200;
Inner Mongolia Autonomous Region: Over 49,400;
Liaoning Province: Over 61,300;
Jilin Province: Over 53,700;
Heilongjiang Province: Over 61,500;
Jiangsu Province: Over 46,300;
Zhejiang Province: Over 47,100;
Anhui Province: Over 71,400;
Fujian Province: Over 59,700;
Jiangxi Province: Over 68,300;
Shandong Province: Over 60,800;
Hubei Province: Over 72,800;
Hunan Province: Over 76,900;
Guangdong Province: Over 63,300;
Hainan Province: Over 42,700;
Guangxi Zhuang Autonomous Region: Over 51,200;
Sichuan Province: Over 187,600;
Guizhou Province: Over 62,300;
Yunnan Province: Over 66,200;
Tibet Autonomous Region: Over 6,200;
Shaanxi Province: Over 77,300;
Gansu Province: Over 32,000;
Qinghai Province: Over 31,300;
Ningxia Hui Autonomous Region: Over 20,600;
Xinjiang Uygur Autonomous Region: Over 51,000.

The report of the Central Commission for Discipline Inspection said that over 63,600 party and government organs and nearly 150,000 state-run enterprises and units were involved in corruption and discipline violation. The report acknowledged that a wide range of sectors within the CPC were touched by the general mood of corruption, which not only undermined relations between the party and the masses but also shook people's confidence in reform, thus directly impairing political stability.

Antiriot Contingency Measures Detailed

HK0504061793 Hong Kong CHENG MING in Chinese No 186, 1 Apr 93 pp 34-35

[Article by Shu Szu (5289 1835): "CPC Works Out Antiriot Contingency Plan"]

[Text] Since late last year more than 10 medium-scale riots and more than 100 small-scale riots have occurred in urban and rural areas throughout China. The CPC Central Committee, the State Council, and the Central

Military Commission recently jointly issued a document entitled "Antiriot Contingency Plan." The Central Military Commission also had the "Antiriot Action Regulations" attached to the document. It stated that with the new "Antiriot Action Regulations" being in force, the "Interim Regulations on Matters Needing Attention for Troops Participating in Antiriot Action," laid down by the Central Military Commission in September 1990, were annulled.

The "Antiriot Contingency Plan" requires all provinces, municipalities, and autonomous regions to set up an "antiriot command" headed by the local party and government leaders and composed of the principal leaders of the armed forces stationed in the localities, local armed police force, public security organs, and judicial organs. The antiriot command should have a permanent office, with routine work being directed by the office director. There should be 24-hour on-duty personnel in the office. All localities should appropriate special funds for the antiriot command and rapidly purchase modern alarms, communications, and other antiriot command equipment.

The document stipulates that the antiriot command has the authority to supervise and inspect the reserve of antiriot weaponry, the use of antiriot communications equipment, the work of the personnel on duty, and has the authority to order those who do not perform their duties properly to improve their work and also report the matter to the upper authorities.

The document requires that the troops of the People's Liberation Army [PLA] stationed in all localities, especially those stationed around large and medium-sized cities, must set up their own antiriot commands and organize antiriot forces [fang bao jing bei dui 7089 2552 6226 0271 7130] on the basis of the existing special forces.

The document requires that in their routine ideological and political work, PLA units should tell the troops about the great significance of resolutely carrying out antiriot tasks in connection with the consistent education in adhering to the four cardinal principles and the patriotic education so that when taking part in antiriot action, cadres and soldiers will be fully aware that checking and putting down riots is a concrete task for the PLA in defending the motherland's peaceful construction. In the years of peaceful construction without external military aggression, preventing any form of domestic riots and armed revolts is the main fighting task for the people's Army, and is also an arduous political task. In the course of carrying out antiriot tasks, cadres at all levels must strictly follow various relevant policies, and must also maintain a firm position in the struggle against the enemies without any hesitation.

The "Antiriot Action Regulations" attached by the Central Military Commission to the document include

detailed rules on the actions and measures the troops should take against riots suddenly arise in various localities.

The regulations stipulate: The military unit stationed in a locality should first guarantee the political quality of the antiriot force and should also ensure their professional competence. The antiriot force should be composed of party members among cadres and soldiers who have political integrity, command skills, and who have received special antiriot training. In normal times, apart from receiving regular ideological education, this force should also receive education in keeping secrets, abiding by discipline, and resolutely carrying out the party's laws and policies.

The regulations require that the antiriot forces of various military units conduct combat training in normal times and always maintain the best combat effectiveness. In cities and localities where there are signs that riots may break out, antiriot forces should carry out open combat exercises intentionally. Before the exercises, the local public security institutions and the people's armed forces departments may notify local residents of the exercises. In the course of exercises, combat sirens can be sounded, such nonlethal weapons as smoke bombs, tear gas, and rubber bullets can be used, and antiriot armored vehicles and helicopters can also be demonstrated in order to deter the lawbreakers who attempt to stir up or take part in a riot through such combat exercises, and to make them fear the proletarian dictatorship.

The regulations also stipulate that the antiriot forces can use such nonlethal weapons as smoke bombs, tear gas, and rubber bullets in the following conditions: First, the troops are intercepted halfway in their advance to the destination, and oral warnings prove ineffective; second, the troops are surrounded by a large mob of rioters and cannot disperse the mob if no force is used; third, the masses involved in the riot impede the public security personnel or the troops from arresting criminals; fourth, people take to the street to hold illegal demonstrations and seriously block traffic; fifth, rioters try to storm party and government offices and military facilities.

The regulations specify that the antiriot forces should include expert marksmen whose task is to fire a dyeing marker at the riot organizer mingling in the rioting crowd or with onlookers so that such arch-villains can be easily arrested after the crowd is dispersed.

According to relevant sources, such dyeing markers were particularly imported from foreign countries by the Chinese communist regime after the 4 June incident in 1989. Such dyeing markers, like rubber bullets, can be fired with ordinary rifles. After hitting the target, the dyeing marker will blast and spray yellow or red dyestuff, which cannot be washed away after adhering to human bodies or clothes. Therefore, the regulations require that the dyeing markers be fired accurately at the correct targets in order to prevent innocents from being hurt.

The regulations also stipulate that commanders of the antiriot forces may issue an order to fire: First, in the course of suppressing a riot, the troops are attacked by armed rioters, or rioters resist arrest by using weapons to fight; second, rioters commit arson or looting, and ignore warnings; third, rioters use firearms to shoot the troops and the crowds; fourth, rioters storm party, government, and military organs or military facilities and cannot be effectively checked after warnings are given and non-lethal weapons are used.

The regulations stipulate the principles for opening fire on rioters: First, fixed fire rather than strafing in principle; second, no aimless firing at dense crowds; third, do not shoot children and pregnant women; fourth, those who are ordered to fire must be expert marksmen in order to prevent innocent people from being injured; fifth, firing must be stopped immediately after rioters stop their resistance or the on-the-spot situation shows there is no need for further firing; sixth, evidence must be immediately collected from the scene of firing and be submitted to the upper authorities.

The regulations specify that once a riot breaks out, while dispatching its antiriot force, the military unit stationed in the relevant locality may also dispatch antiriot armored vehicles, tanks, armored vehicles, armed helicopters, and armed patrol boats according to the seriousness of the situation. However, tanks, armored vehicles, armed helicopters, and armed patrol boats are in principle only used for deterring purposes or used to clear road barricades, surmount obstacles, and combat communications. The commander of the antiriot force has the authority to decide whether to use the nonlethal weapons carried by the antiriot armored vehicles. If the situation becomes very serious and makes it necessary to use the lethal weapons carried by the antiriot armored vehicles and the antipersonnel weapons on the tanks, helicopters, and patrol boats, the antiriot force must ask for the approval of the Central Military Commission or the leader of the provisional antiriot headquarters set up by the Central Military Commission.

By carefully studying this provision we may find that the military unit carrying out the antiriot task only has the authority to fire light weapons and has no authority to fire heavy weapons, because the antipersonnel weapons on tanks and armored vehicles refer to the tank guns and the antiaircraft guns.

The regulations also strictly ban opening fire on foreigners in the scene of riot. The regulations stipulate: If foreign reporters are found in the scene of riot, they should be prohibited from covering news and be ordered to leave the scene. If they ignore such warnings, they should be forcefully taken away and their reporter certificates, cameras, and video cameras should be confiscated. If the foreigners are personnel of foreign embassies, consulates, or the representative offices of the UN organizations and such foreign organizations as the European Community in China, who actually hold diplomatic passports, they can also be required to leave the

scene, but their certificates cannot be confiscated. As for other foreigners, if they refuse to leave the scene after being warned, they should all be seized and handed to the local public security organs.

The regulations do not specifically stipulate the method of dealing with Hong Kong and Taiwan reporters covering news in the scene, but the regulations stipulate that all antiriot forces should be equipped with video cameras and cameras for taking evidence from the scene, and should train professional cameramen. Obviously, this means that in the process of suppressing riots, even domestic reporters will not be allowed to cover news in the scene, and all on-the-spot records will be taken by the troops themselves.

In addition, the regulations also include the stipulations for giving awards and penalties to the personnel responsible for suppressing riots. It is explicitly stipulated that stern disciplinary or even legal action will be taken against those who desert or refuse to carry out orders in the course of suppressing riots, and those who lose or deliberately give up weapons.

Military

Liu Huaqing at Army Family Planning Meeting

OW0204104493 Beijing XINHUA Domestic Service in Chinese 1422 GMT 28 Mar 93

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 28 Mar (XINHUA)—Speaking at an all-Army family planning work meeting on 27 March, Liu Huaqing, Vice Chairman of the Central Military Commission, stressed: The Army should lead the whole society in family planning work, and set a good example for the whole nation.

Liu Huaqing said: The Military Commission has clearly demanded that the Army lead the whole society in family planning work, which has already been included into the army building of the Eighth Five-Year Plan. To fulfill this general objective, we face an extremely formidable task that demands a lot of arduous and meticulous work. Practicing family planning to control population growth is an indispensable condition to realize China's second- and third-step strategic objectives. It has a direct bearing on the smooth progress of reform and opening up, the prosperity or decline of the Chinese nation, and the happiness of our offspring, as well as the construction and development of the army. Leaders and organs at all levels should proceed from these overall interests, and fully understand the great significance of ensuring good family planning work in the army. They should imbue themselves with a profound sense of political responsibility in upholding high standards, setting strict demands, and working hard and conscientiously, so as to ensure the realization of the general objective of the army's family planning work, and set a good example for the whole nation.

Liu Huaqing said emphatically: The key to implementing the basic national policy of family planning lies in leadership. Top army and government leaders should persist in attending to the work personally and taking overall responsibility. The Military Commission urges all units and Army units to include family planning work into the overall planning of army building, truly place it on the agenda of party committees at all levels, and continue to carry out the work diligently and discuss it regularly. It is necessary to attach importance to coordination among organizations, mobilize forces in various sectors, and assign responsibilities to them so as to foster a situation in which concerted efforts are made to carry out the work. It is necessary to make family planning work a major item in appraising the overall construction of a unit and leading cadres' administrative performance.

Liu Huaqing said: We should pay close attention to and study the new situation and problems of family planning work; enhance the foresight and initiative of work; further improve the quality of family planning work teams; constantly improve work methods; do a good job in propaganda and education; truly implement the policy and system; and improve the overall standard of army family planning work in an all-round way.

Present at the meeting were Zhang Zhen, Chi Haotian, Zhang Wannian, Fu Quanyou and other leading comrades, as well as cadres of army level and above who attended the First Session of the Eighth National People's Congress and relevant responsible comrades of various large units stationed in Beijing.

Hainan Officials, Military Officers Hold Forum

HK0204073093 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 30 Mar 93

[Text] On the morning of 30 March, the provincial leaders from the party, government, military, and police held a forum to discuss, in light of reality, the importance of strengthening the unity among the Army, police, and civilians under the new situation.

Xiao Xuchu, commander of the Hainan Ministry District; Wang Xueping, vice governor; some city and county leading cadres; as well as leaders of various services stationed in Hainan, public security police, and armed police, attended the forum.

Following the in-depth reform, opening up, and the increasingly flourishing economy in the province, some new problems in relations between the Army, police, and civilians have persistently cropped up. The proper solution of these problems is of major importance to further cementing closer ties among the Army, police, and civilians, intensifying unity among them, collectively maintaining the security and stability of the Hainan Special Economic Region, and safeguarding reform, opening up, and modernization in the special region.

Commander Xiao Xuchu said: Over the past few years, the Army, police, and civilians in the entire province have paid serious attention to the work of coordination among the party, government, military, civilians, and friendly forces, between the Army and the police, and between the police and the people. They also took firm control of the internal ideological education and management of the Army and the police. As a result, the good relations between the Army, police, and civilians have been further developed. In the future, it is necessary to conscientiously relay to the lower levels and put into effect the guidelines of this forum, augment the unity of the Army, police, and civilians, administer the Army and police strictly, exercise strict internal management, and reinforce education on observing discipline and law. No one has the right to overstep rules and regulations. When contradictions or disputes crop up, the Army, police, and civilians should stick to the principle of mutual understanding, accommodation, and respect. In line with the spirit of seeking truth from facts, they should conduct more criticism and self-criticism and, under any circumstances, show impartiality to flaws and shortcomings. He said: In the future, we should further conduct two-support activities and promote feelings through more contacts, interflow, and exchange of thoughts.

Vice Governor Wang Xueping said: It is extremely important to build closer ties and maintain the unity of the Army, police, and civilians, which is a guarantee for stability in the special region. Over the past few years, the armed services stationed in the province, public security organs, and the armed police forces have taken the construction and development in the special region as their own responsibility, and have made positive contributions to the social stability and economic take-off in the special region. He stressed that the Army, police, and civilians should observe discipline and law, stand watch in a civilized manner, and do their own work properly.

Liu Chengbao, deputy commander of the Hainan Military District; Liu Weidong, deputy political commissar of the (Xuelin) naval base; Wang Wenbin, deputy director of the Political Department of Nanhang; Liu Qingge, deputy head of the provincial party committee propaganda department; Zhu Xin, deputy director of the provincial public security department; Wang Hailiang, deputy director of the People's Armed Police Corps Political Department; Huang Peikun, deputy commander of the provincial frontier defense corps; Zhang Haiguo, vice mayor of Haikou city; Huang Jisheng, vice mayor of Sanya city; and others also attended the forum.

Economic & Agricultural

Li Peng Addresses 3 Gorges Project Committee

OW0204144293 Beijing XINHUA Domestic Service in Chinese 1233 GMT 2 Apr 93

[By Central People's Broadcasting Station reporter: Liu Zhenmin (0491 2182 2404) and XINHUA reporter Ji Bin (1213 2430)]

[Text] Beijing, 2 Apr (XINHUA)—The first meeting of the Three Gorges Project Construction Committee under the State Council was held at Zhongnanhai this morning. Li Peng, premier of the State Council, presided over the meeting.

To insure the smooth construction of the Three Gorges project, the State Council decided to establish the Three Gorges Project Construction Committee. Premier Li Peng is the chairman of the committee with Vice Premier Zou Jiahua, State Councillor Chen Junsheng, and Guo Shuyan, Jia Zhijie, Xiao Yang and Li Boning as vice chairmen of the committee. Qian Zhengying, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, is an adviser to the committee. Committee members include responsible persons of various concerned ministries and commissions of the State Council. The committee is a high level policy-making organ for the Three Gorges project. The committee has set up an office to take charge of the routine work of the Three Gorges construction project. It has set up a relocation and development bureau for the project in charge of the formulation of plans and for supervising the resettlement of people in the construction area. It has also set up the China Chang Jiang Three Gorges Project Development Corporation, which is an economic entity responsible for its own management decisions, profits and losses. The corporation will be the proprietor of the Three Gorges project and will be fully responsible for the construction and management of the project.

Today's meeting heard and discussed a report by Guo Shuyan on the situation of preparations for the Three Gorges project and a report by Li Boning on the situation of resettling people in the construction area. Following the approval of the "Resolution on Building the Chang Jiang Three Gorges Project" by the Fifth Session of the Seventh National People's Congress [NPC] in March 1992, the State Council twice held premier's meetings to study related issues on the project. In November 1992, Premier Li Peng led responsible comrades of concerned departments to make an on-site inspection from Chongqing to the upper reaches of the river. He also presided over an engineering construction conference in Wuhan for the project. In accordance with the arrangements of the State Council, engineering departments are being organized, and resettlement work has also gained some experience and made certain progress.

Li Peng emphatically pointed out at the meeting that the Three Gorges project is a cross-century major project which will have comprehensive economic results and benefit the future generations. The successful completion of this project can show the world that the Chinese people have aspirations and the ability to do a good job in this project which has become the focus of world attention. He pointed out: It is necessary to let the masses of people further understand the necessity and feasibility of the Three Gorges project and encourage them to actively support the construction work. This is the key to the success of the project.

Li Peng said: We should seriously implement the "Resolution on Building the Chang Jiang Three Gorges Project" of the NPC. At present, we should lay stress on doing a good job in various preparation work, setting up organizations, and, in particular, paying attention to initial designs and examination work. We should explore channels to collect funds for the project. We should not only pay attention to gathering funds but also pay attention to careful calculation and strict budgeting, and administer and use funds properly. In order to cope with the new system of socialist market economy, efforts must be made to adopt international practices for the construction of the project, and implement a responsibility system for various stages of construction.

Zou Jiahua, Chen Junsheng and other members of the committee attended today's meeting.

State Council Approves Customs Amendments to Laws

OW0204091993 Beijing XINHUA Domestic Service in Chinese 0927 GMT 31 Mar 93

[Text] Beijing, 31 Mar (XINHUA)—Qian Guanlin, director of the General Administration of Customs, recently signed Order No. 44 of the General Administration of Customs to reissue the "Detailed Rules of the People's Republic of China for the Implementation of Customs Administration and Penalties," the amendment of which has been approved by the State Council and will go into effect from 1 April 1993.

It is understood that, based on the original rules, amendments and alterations have been made to the "Detailed Rules" in two areas. First, the smuggling act of "evading customs tariffs by making false declarations or by not disclosing prices of import and export goods" has been separated from other smuggling activities and specifically stated. The amendment also stipulates the penalty of "confiscating illegal income and imposing a fine not exceeding three times the amount of tariffs evaded" for those who evade custom tariffs by making false declarations or by not disclosing prices of import and export goods. Second, it has clearly stipulated the scope of false declarations of import and export goods. For "false declaration of name, quantity, specifications, price, country of production, trade method, country of destination, trading country or other details that should be declared," a fine not exceeding the value of the goods or not exceeding two times the amount of tariffs payable will be imposed. This is to further determine the legal basis for penalizing the act of evading customs tariffs and to strictly crack down on smuggling and tax evasion activities, so as to fully bring into play the regulatory role of customs on imports and exports, as well as to ensure a smooth process for reform and opening to the outside world.

The "Detailed Rules of the People's Republic of China for the Implementation of Customs Administration and Penalty" was approved by the State Council on 30 June

1987 and issued by the General Administration of Customs for implementation from 1 July of the same year. The "Detailed Rules" was a supplementary law drawn up for implementing the "Customs Law of the People's Republic of China" with regard to the aspect of legal responsibilities. The rules have primarily dealt with smuggling activities and violations of customs control stipulations.

Import Restrictions on Some Commodities To End

HK0304080093 Beijing GUOJI SHANGBAO in Chinese 21 Mar 93 p 1

[Report: "China Will Gradually Abolish Import Restrictions on Some Commodities"]

[Text] It was learned that the Ministry of Foreign Economic Relations and Trade announced at the end of last December: As of 31 December, 1992, China will abolish the system of issuing import permits and quotas for instant-photo cameras and import restrictions on oscilometers, and implement in their place an import registration system; abolish the system of issuing import quotas for digital program-controlled telephone exchanges and institute a system of purchasing telephone exchanges through international bidding and an import registration system to this end on the basis of bidding results and feasibility study reports; and abolish import quotas on instant-photo sensitive materials as well.

The above mentioned commodities were included in the first batch of commodities on which China has abolished import permits, quotas, and restrictions according to the Sino-U.S. Memorandum of Understanding on Market Access. The Memorandum also states that China will gradually abolish import restrictions on most commodities over next few years.

According to relevant provisions of the Memorandum of Understanding on Market Access, which was signed by China and the United States on 10 October, 1992, China is to adopt measures to gradually abolish import restrictions. For instance, China will either abolish or reduce the number of import permits, quotas, and restrictions. According to annexes of the Memorandum, China is to abolish most existing import permits over next five to six years, except for a small number of products that need special protection, such as young industrial products, and will abolish most existing import quotas and restrictions over the same period. The timetable for abolishing relevant import permits is listed below:

1. Import permits for the following commodities will be abolished as of 31 December 1993:

1) iron and steel; 2) billet; 3) scrap steel; 4) useless ships; 5) southern medicine [nan yao 0589 5522]; 6) cobalt and cobalt salt; 7) polycarbonate; 8) coffee and coffee products; 9) civil aviation planes; 10) 34 production and assembly lines; 11) fruit; 12) black and white display tubes.

II. Import permits for the following commodities will be abolished as of 31 December 1994:

1) chemical fiber garments; 2) beer and wine; 3) refined vegetable oil; 4) wood pulp; 5) timber; 6) ABS resin; 7) sodium hydride; 8) explosive equipment for civil use; 9) synthetic rubber; 10) refrigerators; 11) washing machines; 12) tobacco products; 13) cigarette filters; 14) diacetin acid fiber; 15) veneer board; 16) petroleum; 17) chemical fiber, except polyester and polyacrylic fiber; 18) some chemical products; 19) computers and relevant peripheral equipment; 20) X-ray machines and nuclear magnetic resonance medical equipment; 21) air-conditioners capable of 4,000 kilocalories or more; 22) refrigerating compressors capable of five kilowatts or more; 23) reciprocating engines with 1,000-milliliter displacement or more.

III. Import permits for the following commodities will be abolished as of 31 December 1995:

1) duplicators; 2) integrated circuits; 3) film; 4) other chemical products; 5) other types of vegetable oil; 6) other types of alcoholic drinks; 7) air-conditioners without refrigerating equipment; 8) automobile chassis; 9) automobile driving mechanism;

IV. Import permits for the following commodities will be abolished as of 31 December 1996:

1) farm chemicals; 2) carbonated drinks.

As the existing import permits, quotas, and restrictions will be abolished over next few years, Chinese enterprises will face new opportunities and challenges. Therefore, their only way out lies in constant internal readjustment, faster technological transformation, improved operation, management, and product quality, and increased efficiency so that they will be able to survive and develop instead of being eliminated through fierce competition. According to the "Memorandum of Understanding on Market Access Between the People's Republic of China and the United States of America," the Chinese Government has also confirmed that all regulations, guides, and policies relating to import substitution have been abolished and that no products will be subjected to any import substitution policies in the future.

Paper Comments on Abolition

HK0304080293 Beijing GUOJI SHANGBAO in Chinese
21 Mar 93 p 1

["Short commentary:" "Drawing Closer to GATT Rules"]

[Text] The Chinese Government has decided to abolish import permits for most commodities over the next five to six years, this being indeed a major step taken by the government to deepen foreign trade structural reform and draw closer to the common international trade rules enshrined in GATT.

GATT requires in principle that various non-tariff trade restrictions be abolished and tariffs remain the sole means of trade protection, the purpose of which is to ensure fair competition among products made by different countries on the international market. By so doing, China will be able to make fuller use of all excellent achievements of human civilization on both domestic and international markets to realize optimal disposition of resources, push ahead with socialist market economy building, and bring about sustained national economic growth.

Of course, we should gradually open up the domestic market in a phased way and step by step by proceeding from China's actual national conditions as well as divergent local conditions. We must continue to protect those genuinely young industries for a longer time to come. On the other hand, China's industrial departments should actively welcome market opening up, energetically speed up technological transformation and shift operative mechanisms, guarantee fair competition with foreign products, and strive for faster development.

Auto Official Welcomes Foreign Investment

HK0304031893 Beijing ZHONGGUO XINWEN SHE
in Chinese 0731 GMT 31 Mar 93

[By reporter Zhou Jianmin (0719 1696 7044)]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE)—In a special interview granted to our staff reporters, Cai Shiqing, National People's Congress deputy and China Automobile Industry Corporation general manager, said that China's automobile industry welcomes investment from Hong Kong, Macao, and Taiwan compatriots as well as from Overseas Chinese. He noted: China's automobile industry is facing the following two tasks at the moment: One is structural readjustment and optimization; the other is high and new technological development.

Cai Shiqing said: We welcome Hong Kong, Macao, and Taiwan compatriots as well as Overseas Chinese to come to invest on the mainland. However, they should strictly abide by China's current industrial policies and should both invest funds and introduce advanced technology to China.

Cai explained: At present, China has already had three small and three big sedan manufacturing plants and eight sedan manufacturing centers capable of producing small sedans. Thus the time is not yet ripe for Hong Kong, Macao, Taiwan, and Overseas Chinese entrepreneurs to come to set up solely owned sedan manufacturing plants on the mainland. However, it is still possible for them to cooperate with the hinterland in setting up joint venture sedan manufacturing plants on the mainland, even plants manufacturing their types of sedans. All these issues can be discussed.

Cai Shiqing maintained that the mainland automobile industry should focus on two issues at the moment: The

first is: To develop China's own high and new technology, especially innovation capacity. Cai held that competition on the world market is, in the final analysis, technological and product competition. Should China fail to develop new products and only follow in the footsteps of others, it would be difficult for China to take part in international competition.

The second is: To readjust automobile industrial structure with a view to making it possible for a large number of enterprises to engage in scale economic production. Cai Shiqing said that there are now more than 100 sedan engine manufacturing plants on the mainland. However, these plants are scattered over too large an area. China should make efforts to develop automobile spare parts production. Cai noted: Failure to develop spare parts production will certainly impede automobile engine production and render automobile batch production impossible. He stated: Scale economic production should produce at least 150,000 sedans a year. Failure to attain this goal and ensure relevant product quality will make it impossible to lower production cost.

Power Industry To Require Foreign Capital

HK0304054093 Hong Kong CHING CHI JIH PAO in Chinese 31 Mar 93 p 11

["Special interview" by staff reporter Li Hsiao-chuang (2621 0879 8369): "Plan for Importing Foreign Capital to Develop Power Industry—Interviewing Minister of Electric Power Industry Shi Dazhen"]

[Text] Blackouts and brownouts have long been common occurrences on the mainland. As a driving force for economic development, electricity not only is unable to develop ahead of the economy but also has become a factor restricting economic development.

Shi Dazhen, the new minister of electric power industry, stated that quickening the development of electric power will be a major job for the Ministry of Electric Power Industry in the future.

The "Government Work Report," given by Li Peng to the Eighth National People's Congress [NPC] session, clearly stated that a newly installed capacity of 65 million kilowatts will be added in the next five years. Shi Dazhen said this implies that some 250 billion yuan will be invested in developing electric power.

Moreover, this rate will ensure that there will be no problem for the economy to grow at a rate of 8 to 9 percent.

According to the new economic plan, future economic development will continue to be speedy and the problem of power shortages will be increasingly salient. Shi Dazhen, who began with an electric engineering career, told this reporter: The fact that China's power development lags behind is mainly reflected in two [as published] aspects. First, there is a shortage of funds. Second, the supply of equipment does not meet the need.

Third, there is the problem of fuel supply. The shortage of funds is one of the resistant forces to electricity development in all developed countries around the world.

As of the end of 1992, the installed capacity across China already reached 165 million kilowatts, of which 27 million kilowatts are generated by low-efficiency medium and small sets which consume lots of coal, put into use during the 1950's and 1960's. The inadequate supply of fuels are mainly reflected in communications and transportation.

Shi Dazhen, who assumed the post of minister of water resources and electric power in 1984, said: If we want to improve China's current rate of development of electric power, it is impossible for electric power and economic development to be balanced, and we need to find balance in the international market.

This demands that for future electric power development, we actively take the path of developing electric power by pooling Chinese and foreign funds, gradually lift controls over electricity charges, and attract Chinese and foreign funds to the market of electric power development.

Shi Dazhen held that coastal developed areas will be the first to lift controls over electricity charges and then inland areas will gradually follow suit, and that for impoverished areas, only the supporting policy can be pursued.

Minister Shi Dazhen told this reporter: If the output value from each kilowatt-hour of electricity exceeds eight yuan, then there will not be a big problem when controls over electricity charges are lifted. Otherwise, if the output value from each kilowatt-hour is lower than three yuan, some enterprises will absolutely be unable to bear it when controls are lifted.

There are many reasons why China's electric power development lags behind. Minister Shi Dazhen held that the following are the main reasons:

First, electricity charges have not been straightened out and differ greatly from international pricing principles.

Second, the capacity to manufacture generating equipment is lower than is actually needed.

Third, electricity industries have not yet established self-developing, self-perfecting, and self-restricting mechanisms.

Fourth, per-capita power consumption is still very low.

Regarding the prospects for the future development of China's electric power industry, the power expert pointed out: In the next eight years, China will build some new hydropower stations with an installed capacity of 40 million kilowatts. Another direction is nuclear power stations to be developed in coastal areas. Although many problems still exist in thermal power

generation, which mainly consumes coal, China will not change the basic pattern that uses thermal power as the basic source of electric power by the end of this century.

Railway System Continues To Lag Behind Growth

HK0404051693 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4 Apr 93 p 8

[Article by Song Ning: "Nation's Transportation Becoming Big Headache"]

[Text] China's transportation system is failing to keep pace with its fastgrowing industrial production.

The railways are the largest transportation sector in the country.

The rise of railway passengers during the Spring Festival this year, the largest holiday in China, squeezed freight transport even further.

Total freight transport was down 2.6 percent in the first two months this year from the same period last year. And total passenger transport dropped by 6 percent, according to the State Statistics Bureau.

The major reason was the severe shortage of transportation capacity this year despite higher demand. Airports and railway stations in coastal cities were jammed with passengers and cargo at the beginning of the year.

A 63-percent rise in capital construction spending in the first two months this year put transport in even higher demand.

Analysts said the retarded development of transportation may drag down the country's ambitions for economic development this year.

On the other hand, industrial production in the first two months grew by 20.4 percent. The growth was much higher in coastal regions which also suffer worst from transportation inadequacy.

For example, manufacturers in South China's Guangdong Province may find that moving goods northward is the most serious headache. So they may prefer opening plants in the North. Heinz of the United States is constructing a new plant in Tianjin after it found problems with its Guangzhou plant.

In January and February, China's transportation network carried a total of 411 million tons of cargo, 2.6 percent lower than the same period last year.

Railways carried 237 million tons of goods, down 2.1 percent. Truck transport reached 83 million tons, down 7.5 percent. Ships carried 91 million tons of goods, up 1.5 percent. Air transport, though, rose 20.9 percent to reach 82,000 tons.

Major coastal ports handled a total of 91 million tons of cargo in the first two months of this year, an increase of 6.2 percent.

The freight turnover during the two months was 375.2 billion ton/kilometres, down 5.5 percent on last year's level.

The railway freight turnover dropped by 2.4 percent to reach 176 billion ton/kilometres; trucks was down 12.1 percent to reach 4.8 billion ton/kilometres; the shipping turnover was down 7.9 percent to reach 194.1 billion ton/kilometres; and air freight rose 25.4 percent to reach 193 million ton/kilometres.

A total of 903 million passengers travelled on the country's trains, buses, ships and planes in the first two months this year, 6 percent less than the same period last year.

About 172 million of them rode trains, an increase of 4.9 percent; 696 million travelled on buses, down 8.5 percent; 31 million travelled by sea, down 3.9 percent; and 3.59 million travelled by air, up 24.2 percent.

The passenger turnover during the period rose by 0.9 percent to reach 97.5 billion person/kilometres. That of railways rose by 3.9 percent, bus turnover dropped by 5.8 percent, ship turnover was down 3 percent and air turnover rose 25.4 percent.

Article Notes 'Urgent Tasks' for Railroads

HK0404030593 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 12, 22 Mar 93 pp 10-11

[Article by Li Dibin (2621 6611 2430): "The Urgent Tasks of China's Railroads"]

[Text] The period around the Spring Festival this year was the busiest period for China's railroad transportation, with both the number of train passengers and the speed at which passengers increased chalking up new records.

According to statistics compiled by the department concerned, in the 40-day period around the Spring Festival, the railroads nationwide carried a total of 120 million passengers, with the daily volume averaging 3 to 3.5 million. The departments responsible for railroad transportation took a series of emergency measures to meet the pressing need. They provided an additional 4,600 passenger trains, used all available cars, and increased the number of cars pulled by locomotives from a dozen to over 20 or even 30. Despite their strenuous efforts, however, there were more passengers than railroad cars could carry.

The situation sent a clear message to the departments responsible for railroad transportation: It is high time to ease the "bottleneck" effect brought about by railroad construction lagging behind economic development.

Leading Cadres of Railroad Departments Attended a National Meeting Held at the Beginning of the New Year With Heavy Hearts

Leading cadres responsible for railroad transportation from all over the country attended a national meeting held in Beijing a week after the bell signaling the arrival of a new year tolled. Every participant was weighed down by the grave burden on his mind because railroad transportation failed to meet the needs of economic development to a serious degree!

According to statistics compiled by the department concerned, in 1992 the national gross industrial output value increased by 20 percent, while the freight dispatched by rail only increased by 3 percent. The approved daily number of cars needed by various places in the country averaged 120,000, but railroad departments could only provide 60 percent of them. The State Council demanded that the Eighth Five-Year Plan for railroad construction be fulfilled a year or a year and a half ahead of schedule, but the funds needed were 60 billion yuan short, which constituted an unprecedented difficulty. With prices being further deregulated, the prices of capital goods have risen sharply, and so will the cost of railroad transportation. As a result, the whole railroad transportation trade will inevitably head into the red.

The sharp increase in passengers in the period around the Spring Festival made the situation in which trains were already running beyond capacity go from bad to worse, while news of there being far fewer freight cars than commodities to be transported kept pouring in. A total of 3 million tonnes of goods sent by Heilongjiang to the hinterland had piled up at stations; 2 million tonnes of goods in Liaoning had yet to be transported; and there were excessive stockpiles of coal, sugar, salt, petroleum, cotton, and ore in Sichuan, Guizhou, Inner Mongolia, Hebei, Shanxi, Shaanxi, Gansu, Ningxia, and Xinjiang. All these places were crying out for emergency help. The railroads, which serve as economic arteries, were seriously holding back economic development.

The High-Ranking State Leadership Paid Great Attention to the Problem

The situation in which train services held back economic development attracted great attention from the high-ranking state leadership. Vice Premier Zhu Rongji made a special trip to Shanxi to investigate the difficulty in transporting Shanxi-produced coal to other parts of the country. At the national meeting for leading cadres responsible for railroad transportation held early this year, Zhu Rongji said: "The State Council has made it a rule that central leading cadres should not attend work meetings held by various ministries, but I am here anyway in breach of the rule because railroad transportation is too important to be neglected. I have traveled around the country recently and profoundly realized that railroad transportation is holding back economic development to an excessive degree. The situation in the whole country shows that it is tight transportation that

stands in the way of economic development. I really feel anxious about the situation and the more I think about it the more anxious I feel. What is to be done? We must make up our minds to settle the problem! We must lose no time since we are determined to do it. In the coming period, metallurgical and materials departments must give priority to railroad construction. All departments should join forces to enable railroad transportation to match economic development!"

The vice premier, who is well known for his pragmatism, volunteered to act as adviser to the construction of the Beijing-Jiujiang rail line and urged executive vice governors of relevant provinces to also serve as advisers to the construction of the sections of railroad that will go through their provinces. Zhu Rongji called on all participants to share pressure and responsibility in building more rail lines.

The one bearing the heaviest pressure is newly appointed Minister of Railways Han Zhubin. In the four months following his appointment, he travelled around the country to make on-the-spot investigations and studies, covering 10,000 li. He demanded that 12 railroad bureaus and 56 railroad sub-bureaus earnestly carry out the plans for dispatching cars, for railroad construction, and for work in other fields.

The Reasons For Slow Railroad Construction

The situation in which railroad transportation holds back economic development is a problem of many years' standing. As early as 1975, Document No. 9 issued by the CPC Central Committee pointed out: Railroad transportation is now the weak link of the national economy and has failed to meet the needs of industrial and agricultural development. Since then various former railroad ministers, including Wan Li and Ding Guangen, have worked hard for development in railroad transportation. However, as compared with the rapid economic development brought about by reform and opening up, the progress made in railroad building has still been too little.

In April last year, in the wake of Deng Xiaoping's talks during his south China tour, the pace of economic development greatly quickened around the country, thus making the problem with railroad transportation more prominent. Some people calculate that state revenues would increase by a big margin if railroad transportation could match economic development. Insufficient input is first to blame for China's stagnant railroad building. Statistics show that since the Third Five-Year Plan, the proportion of railroad construction in overall capital construction has been on the decrease. The proportion has come down from 13.3 percent to 11, 6.7, and even 4.5 percent in the Sixth Five-Year Plan period. The figure rose to 6.6 percent in the Seventh Five-Year Plan, but dropped again to 5 percent in 1991. The railroads as major economic arteries are universally regarded as a "contemporary engine of economic growth." In the

initial period, the present principal industrially developed countries set off an upsurge of building up the transportation industry, especially of building railroads.

As a developing country, China could not, for historical and geographical reasons, spend a great amount of money on railroad building as did Western countries, but China also did not have a prophetic vision of the importance of the transport industry for economic development, which was another important reason for China's stagnant railroad building. Transport economists refer to this as a "mistake in policy decisionmaking caused by ideological failings."

In the past, China's railroad transportation was famous for the following features: Highly centralized management of operation, a combined mechanism under which various departments and various professional teams functioned in close coordination, and a control system which was in many ways similar to military routine. Therefore, China's railroad transportation came under stricter control by the planned economy than other enterprises. This sapped its vitality. China's railroad transportation is now said to have the following new features: Separation from the market economy; being no match for economic development; and an inability to carry out self-transformation and self-development.

China's Railroads Which Operate Beyond Their Capacity

In 1949, when New China was founded, the railroads in China totaled 20,000 km in length. The railroads built in the last 43 years add up to 30,000 km. By the end of last year, the railroads in service nationwide stood at 53,000 km. Over the last few years, only several hundred kilometers of railroad were built each year, with the figure even dropping to several dozen kilometers one year.

China now has 56.1 km of railroad for every 10,000 square km of land, ranking 70th in the world, and 0.45 km for every 10,000 people, ranking below 100th. On the other hand, the workload of China's railroads is surprising. China's railroads undertake 70 percent of its total freight transport and 50 percent of its total passenger transport. The load intensity for China's railroads is 25.579 million tonnes per km, occupying first place among other countries. China's trains on trunk lines run at 10-minute or even six-minute intervals. Such a high frequency is rarely seen in other parts of the world.

China's railroads are backward in equipment. Of the total 50,000 km of rail in service, 12,500 km is still operating beyond its specified service life.

An authoritative person pointed out it is essential to put an end to the situation in which railroads are still used beyond their service life.

Railroad Construction Must Also Be Geared to Market Needs

The establishment of the theory of socialist market economy in China has opened up new prospects for

reform and development of the train service. China's 3.42 million railroad workers and staff have drawn a conclusion from their experience: "China's train service must also be geared to market needs!" The departments responsible for railroad transportation have begun to make historic breakthroughs in the following fields.

—A breakthrough in their ideology. While railroad departments have characteristics different from other enterprises, they should also join the competition in the market to gain economic returns. Train service can and must enter the market.

—A breakthrough in freight rates. While having unified freight rates, railroad management will, according to different conditions in the market for transportation, set different freight rates for new lines and the most popular lines. Additional transportation charges will be levied for restricted areas, special charges for special regions, higher charges for quality service, different charges for different seasons, and contracted charges. A management mechanism for railroad freight under which the central government, the department responsible for railroad transportation, local governments, and transportation enterprises make decisions along different lines will be formed, as will a stratified mechanism for railroad freight.

—They have acquired a clear understanding that railroads must both serve the public and be managed as enterprises, that is, they must integrate social benefits with economic returns.

—They have introduced the competition mechanism into enterprises related to railroad transportation. The relations based on the product economy between enterprises have been turned into relations based on the commodity economy. Railroad enterprises are allowed to compete not only with other enterprises in the same trade but also with other enterprises in other fields. There will be increasing competition in providing all-around service, managing enterprises in a creative way, changing the train service into an industry, and organizing groups for joint operation.

—They have basically transformed the managerial and operational mechanism and begun to organize railroad group companies. By organizing railroad group companies, they succeeded in setting up a new mechanism which separates the functions and responsibilities of administration from those of management and separates ownership from management of enterprises. By separating ownership and management of enterprises, they were able to do away with the financial system characterized by unified accounting and internal distribution [nei bu fen pei 0355 6752 0433 6792], so that the enterprises would be responsible for their own profits and losses, for their own construction and development, for repayment of the principal and payment of interest on their loans, and for guaranteeing the value of their fixed assets. Railroad groups

will become the market's principal body with capacity for competition, innovation, and development.

The practice of gearing train service to market needs signals that China's train service will make greater progress.

The Dawn of Great Development of Train Service

The program for basically reforming the traditional planned operational mechanism and for bringing train service in line with the market economy has been made public. Preferential policies for increasing funds for railroad construction and stepping up railroad construction will come into force in succession. The State Council has agreed in principle that train freight of different types should be allowed while there is a unified freight rate. The 10 major railroads which will constitute six thoroughfares linking north, south, northwest, southwest, northeast, and east China and coastal ports as well as transporting coal produced in Shanxi, Shaanxi, and Jiangxi to other parts of the country are all under construction, and over 50 percent of the projects are expected to be completed by 1995. A great number of new lines which "are short, require less input, and promise quick results" financed by Sino-foreign joint ventures or local governments will begin construction in turn and old lines will also be transformed in the same way.

The objectives to be fulfilled in the next three years with respect to development of train service are: 6,600 km of new lines, 4,100 km of dual track, and 5,600 km of electric line will be built; 675 electric locomotives, 1,845 diesel locomotives, 81,000 freight cars, and 6,600 passenger cars will be produced; operating mileage will reach 60,000 km; 30 and 23 percent of railroads will be dual-track and electrified respectively; the volume of rail freight will amount to 1.7 billion tonnes; passengers will number 1.1 billion; and the converted freight mileage will be 1.7 trillion tonne-km.

Construction To Be Accelerated

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EDITION in Chinese No 12, 22 Mar 93 p 12

[Article by Mu Di (2606 6611): "China Speeds Up Railway Construction"]

[Text] This reporter learned from relevant sources that in the next three years China will build 4,000 km of railroads on average each year. This is more than twice the average length of the railroad built each year in 1991 and 1992.

The principal railroads to be built in the next three years are as follows:

The Beijing-Kowloon line. The line, which links Beijing with Kowloon through Shenzhen, is the longest trunk line in the Chinese history of railroad construction, with a lump-sum investment of 20 billion yuan. Starting from Beijing, the 2,500 km railroad will go through nine

provinces (cities) in north, east, and central-south China, including Hengshui, Shangqiu, Fuyang, Macheng, Jiujiang, Xiangtang, Jian, Ganzhou, and Longchuan, and terminate in Shenzhen. It will extend to Kowloon after Hong Kong returns to the motherland in 1997. It will be another big south-north artery besides the Beijing-Shanghai and Beijing-Guangzhou railroads.

It is estimated the track-laying project will be accomplished in 1995. In 1996 supportive projects and feeder railroads will be built to increase the efficiency of the railroad. The railroad is one of China's key construction projects for the entire 1990's.

The multiple track of the Lanzhou-Xinjiang railroad. The 1,622 km-long multiple track linking Wuwei with Urumqi will be accomplished in 1995. The Lanzhou-Xinjiang railroad is located where the continental bridge linking Asia and Europe runs through. When the multiple track is accomplished, the northwest area in China will establish close ties with central Asia and east China. In addition, the track will make it convenient for petroleum, salt, and coal produced in the areas along the track, and grain produced in Zhangye and Wuwei, to be transported to other areas and for materials provided by east China to northwest area in support of the latter's construction to be carried there.

The Baoji-Zhongwei line. This 498 km railroad will have its track laid in June 1994, will be electrified in 1995, and go into operation in June of 1995. The railroad is designed to serve as a supportive project of the multiple track of the Lanzhou-Xinjiang railroad. When accomplished, the railroad will make it convenient for natural resources in the northwest area to be transported to other areas and for materials to be transported from coastal areas to the northwest area. Again, the railroad will promote economic development in areas inhabited by minority nationalities.

The Houma-Yueshan line. The line will be 252 km long. It is estimated the line will have its track laid in June of 1994 and will go electric and into operation in 1995. To transport coal produced in northern Shanxi we have built the Datong-Qinhuangdao railroad to serve the purpose; to transport coal produced in central Shanxi, the Shijiazhuang-Taiyuan railroad. The Houma-Yueshan line is designed to transport more coal produced in southern Shanxi to other areas. The railroad will go through mining areas in Xinxiang and Luliang, making it convenient for natural resources there to be carried to other places.

The multiple track of Zhejiang-Jiangxi railroad. The track, which will link Hangzhou with Zhuzhou, is 938 km long. Of the total length the remaining 400 km will be accomplished in 1995. The multiple track will join the Shanghai-Hangzhou railroad in the north and the Beijing-Guangzhou railroad in the southeast, thus linking up east China and south China, two economically developed areas, and becoming an important east-west trunk

line in south China. When the multiple track is accomplished, the annual transport capacity of the Zhejiang-Jaingingxi railroad will increase from the present 15 million tonnes to 50 million, greatly stimulating economic development in east and south China.

The transformation project of the Beijing-Guangzhou line. The railroad will be changed into an electric one. At present, the Zhengzhou-Wuchang section has been electrified. The electrification project on the Beijing-Zhengzhou section, which is 695 km long, has just begun. It is estimated that the project will be accomplished and put into operation in 1995, thus making a big step toward electrification of the whole line. The Wuchang-Guangzhou section, which has had a poor transport capacity, will have its annual carrying capacity increased to 50 million tonnes when the plan to make "points and lines mutually supportive" [dian xian pei tao 7820 4848 6792 1152] is carried through.

The second-phased project of the Datong-Qinhuangdao railroad. The project was designed to transport coal produced in Yanbei, Shanxi to Qinhuangdao. The project has been accomplished. The short-term annual transport capacity of the project is 55 million tonnes, and the long-term one is 100 million tonnes.

The electrification of the Chengdu-Kunming railroad. The line will be 1,100 km long. It is estimated that the Chengdu-Jinjiang section will go electric in 1995 and the Jinjiang-Kunming section in 1997. The Chengdu-Kunming railroad was built in the "Cultural Revolution" period. The railroad has had a very low transport capacity due to adverse geographical conditions. When the railroad is changed into an electric one, phosphorus and other mineral products produced in Kunming will be transported to east and north China by the railroad, the Baoji-Chengdu railroad, and the Lianyungang-Lanzhou railroad. The ores produced in Panzhihua will also be transported to Chongqing and Chengdu by the railroad.

The Xian-Ankang railroad. The section between Yangpingguan and Ankang will undergo a technological transformation and the Yangpingguan-Chengdu section will have a multiple track built at the same time. These projects will become a part of the new north-south trunk line and will help transport coal and other natural resources produced in Shanxi, Shaanxi, and western Inner Mongolia to the southwest area, so they are of great importance to economic development in Sichuan and southern Shaanxi.

When all the above projects are accomplished, the transportation in the northeast area, the transportation between north and south China, the transportation of Shanxi-produced coal to other places, and the access to east China will be improved, thus creating a better environment for economic construction.

Joint Ventures Seen as New Formula

HK0204143493 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 12, 22 Mar p 13

[Article by Wang Xiaoguang (3769 2556 0342): "Joint Ventures for Railroad Construction—New Way for Railroad Development"]

[Text] The Sanshui-Maoming railroad in Guangdong is not a long one compared to many other railroads in China. The significance of this railroad lies not only in linking up two cities several hundred km apart, but also in changing the several decades-old formula for railroad construction under which the state is the sole investor. The Sanshui-Maoming railroad, which began construction as early as 1983, was jointly built by the railroads ministry, the chemical industry ministry, and Guangdong. The new practice of building a railroad by pooling funds from several sectors opens up new vistas for railroad construction in China.

It is reported that there are now 18 joint-venture railroads on the mainland with a total length of 6,800 km. Five of them—the Urumqi-Alashankou railroad (also known as the Beijiagang railroad), Nanning-Fangcheng railroad, Baotou-Shenmu railroad, Sanshui-Maoming railroad, and Xian-Yanan railroad—have been accomplished; the remaining projects, it is estimated, will be accomplished by 2000. Again, another 3,200 km of joint-ventured railroad will be built before 2000.

Open Up Financial Sources in Various Ways

The most important reason for China's railroad construction lagging behind economic development is a shortage of funds. Solely relying upon the state to build railroads has led to a wide gap between the supply of and demand for train service. The Beijiagang railroad was designed as early as 1955, but the construction was suspended several times due to financial difficulties. Since only the state was responsible for the money needed for railroad construction, only 300 km of railroad was built each year during the sixth and seventh five-year plans. According to the Eighth Five-Year Plan, 6,100 km of railroad, 3,600 km of multiple track, and 5,600 km of electric railroad are to be built. These projects would involve about 100 billion yuan, accounting for over 10 percent of the total investment set out in the Eighth Five-Year Plan. The state could not afford the projects financially, but the Eighth Five-Year Plan and the 10-Year Program for Economic Development would suffer if railroad construction continued to lag behind economic development. Consequently, building railroads by way of joint financing became the necessary choice.

The new formula is characterized by: Raising funds through various channels, diversification of investors, joint operation, and profit and risk sharing. Under the new formula, emphasis is placed on trunk railroads and important branch lines.

Facts show that building railroads by way of joint financing provided a miraculous solution to the shortage of funds needed for railroad construction. Localities, enterprises, and departments that would benefit from the building of new railroads became principal investors. Bank loans, the issue of debenture bonds of railroad construction, and investment in the form of special equipment, labor on the construction site, and building materials at a discount constituted sources of funds. Of the total investment for the 18 railroads built or being built, the state investment only accounted for about 50 percent.

When A Railroad Is Finished, Many Fields Will Thrive

Since China introduced the reform and opening policy, the regional economy has been growing with each passing day. Accordingly, more economic ties between regions have been established and there have been more exchanges of materials and information. Being anxious to develop their economies, localities were increasingly keen on building railroads because they became aware that a locality must build railroads before it would grow rich. It was under such circumstances that local governments shifted their investment to railroad construction on their own initiative or raised money through various channels to build trunk railroads in their own regions. These joint-venture railroads really contributed much to local economic development: They helped tap rich natural resources and develop the processing industry and the tertiary industry in the areas along the railroads, industries which grew in the wake of exploitation of local resources. Those economically backward areas, in particular, benefited profusely from the railroads.

The building of the Beijiang railroad enabled the second continental bridge linking Asia with Europe to join up and greatly stimulated economic development in Xinjiang. Hoboksar Mongol Autonomous County, which is rich in natural resources, had been poor because the natural resources could not be transported to other areas for lack of railroads. Since the building of the Beijiang railroad, the county has transported to other areas 200,000 tonnes of crude salt each year. Arrangements for building the Manasi power plant which will generate 1.2 million kw of electricity per year and for building the Duxhanzi ethylene plant, which will produce 140,000 tonnes of ethylene per year, were also made in turn.

Economic development in west Guangdong had lagged far behind the Zhujiang Delta before for lack of railroads. The Sanshui-Maoming railroad linked east Guangdong with southwest China and created favorable conditions for tapping mineral resources in west Guangdong and developing tourism there.

The enthusiasm for building joint-venture railroads on the part of local governments have also made construction of railroads more convenient.

With full cooperation of local governments, it takes less time to take over land and relocate residents for building railroads and incurs less expense. With the assistance of

the Guangdong government, it took only seven months to take over 13,000 mu of land and dismantle residential houses and other buildings measuring 170,000 square meters for building the Sanshui-Maoming railroad.

Usually it costs less to build joint-venture railroads. The construction cost for the Beijiang railroad was 1.6 million yuan per km, 1.4 million yuan for the Baotou-Shenmu railroad, and 4.69 million yuan for the Sanshui-Maoming railroad. At present, the average construction cost of joint-venture railroads is 2.42 million yuan per km, much lower than the cost for state railroads.

Long-Term Formula for Railroad Construction

As building railroads by pooling funds from various sectors goes with the tide of the on-going economic restructuring and is in the interests of central and local governments, the formula has become an effective way of and an inevitable trend in building railroads. A relevant cadre of the Chinese Government said this formula is in no way an expedient measure at a time when China is running short of funds.

The state has granted joint-venture railroads preferential policies on prices, credit, and taxation. The state, in particular, will allow joint-venture railroads to set their own freight rates and allow the rates to fluctuate within a certain limit. The prices of passenger tickets set by Sanshui-Maoming railroad are 50 percent higher than those set by state-run trains and its freight rate of 10 cents for a tonne of goods a km is more than twice the state-set rate.

The joint-venture railroads follow the distribution principle of whoever invests gets the profit. According to relevant regulations, partners of the joint-venture railroad will reasonably share the profit earned and enjoy priority in transporting their own commodities. They will also share the risk while sharing profits.

At present, the joint-venture railroads are managed in two ways: One, by setting up, following the traditional practice, railroad construction headquarters or a similar office which only takes care of railroad construction to the exclusion of operation and management; two, by setting up a joint-venture railroad company which takes care of railroad construction as well as operation and management. The relevant department is considering organizing a board of directors representing all partners and a joint-venture railroad company to take care of both railroad construction and management. The joint-venture railroad company will operate the railroad on behalf of various partners and will have an independent legal entity status. In addition, the company will conduct business accounting independently, assuming sole responsibility for profits and losses.

'Major' Highway Construction Project Planned

HK0504040493 Beijing CHINA DAILY in English
5 Apr 93 p 1

[Report by staff reporter: "Ambitious Highways Plan To Ease Congestion"]

[Text] A major highway construction project will soon be undertaken to ease the growing congestion in China's land transportation facilities caused by the rapid growth in both trade and tourism.

The project, involving 12 new topgrade highways totaling more than 30,000 kilometres, is expected to greatly improve road transportation links between key regions across China. The programme was disclosed in Beijing by Wang Zhanyi, the former Vice-Minister of Communications, now a deputy to the 8th National People's Congress.

Of the 12 highways, four State-level motor-roads will thread together more than 100 cities and ports in China's major economic regions. Those four highways, expected to open to traffic at the turn of the century, will run the length and breadth of the whole country with a total length of more than 10,000 kilometres.

They include two north-south trunk roads—the Beijing-Guangzhou-Zhuhai and Tongjiang-Dalian-Yantai-Shenzhen highways—and two east-west trunk roads—the Lianyungang-Xinjiang and Shanghai-Chengdu highways.

The four are designed as class-two motorways, with some sections to be built as limited-access expressways. Wang said China's traffic infrastructure had lagged behind national economic growth.

Of the country's existing 1.05-million-kilometre highway network, only 600 kilometres are classed as expressways, while the rest are generally in need of repair or plagued by traffic congestion.

There is not a single high-grade highway now running through China from north to south or from east to west.

According to the Ministry of Communications, the focus of China's highway construction shifted from the low-standard expansion before 1975 to a mixed development of both high-grade key roads and low-standard provincial roads between 1975 and 1985.

Since then, the focus has shifted to developing high-grade highways and a comprehensive system has been mapped out. Wang said China was building or readying to build more than 2,000 high-grade highways covering half of the country's provinces.

Those highways included a dozen expressways linking Shenzhen with Shantou, Foshan with Kaiping, Quanzhou with Xiamen, Shanghai with Nanjing and Hangzhou with Ningbo.

Wang disclosed that by the year 2000 the total length of China's highways would jump by 22 percent to 1.25 million kilometres. The length of motor-only highways, in particular, would quadruple to 18,500 kilometres.

A special highway construction campaign will also unfold to support the gigantic development of Pudong New Area, the Three Gorges' Dam and Guangdong's move to match the "four little tigers" of Asia.

The bold goal implies a breakthrough is necessary in highway funding methods, which would entail increased use of foreign capital in addition to State appropriations and locally raised funds.

China has utilized considerable amounts from overseas loans since 1979 in building 1,200 kilometres of expressways and 1,800 rural highways to foster regional economic advancement.

Liu Songjin, Vice-Minister of Communications, said detailed regulations were in the making to entice direct overseas investment in highway construction.

Effect of Private Enterprises on Economy Viewed

OW0304034093 Beijing XINHUA in English 0204
GMT 3 Apr 93

[Text] Beijing, April 3 (XINHUA)—China's booming individual and private enterprises have proved their worth in the efforts to steer the Chinese economy onto the track of the market.

Experts predicted that by the year 2000, the number of individual and private enterprises will have topped 30 million; the employment will have exceeded 50 million; their output value will have reached 600 billion yuan (about 105.2 U.S. dollars) to account for 20 percent of the national total.

The boom in the private sector has not only booted the state tax revenue but also helped stimulate the public sector to change their ways and participate in the market competition, experts said.

The private sector has grown since China introduced the policy of reform and opening to the outside world. Since then, it has grown at an average annual rate of 18 percent, with the total employment growth by 16 percent annually, according to official statistics. The total business turnover of the private sector in repairs, catering, non-staple foods processing, vegetables and fruits has made up over 50 percent of the national total. The private retail businesses and catering services account for 80 percent of the national total.

The development of the private sector has helped promote the rational relocation of resources and production factors to increase state wealth. Now the private sector has become one of the major sources of tax revenue.

According to an official from the State's Administration of Taxation, the estimated 15.33 million private businesses in the country turned over to the state more than 20.3 billion yuan (about 3.5 billion U.S. dollars) in taxes in 1992, 16.9 percent more than in the preceding year.

The tax payment by the private sector increased by an annual 15 percent for three years in a row starting from 1990. The total taxes turned over to the state by the private sector from 1981 to 1992 amounted to 95 billion yuan (about 16.6 U.S. dollars).

The fast growth of the private sector has helped diversify employment opportunities for a large number of young people who join in the workforce each year.

Statistics reveal that since 1982, over 10 percent of the job seekers have taken up jobs in the private sector annually; while the rural surplus labor accounts for 40 percent of the state's total private business people.

The private sector also commands three quarters of the state's services.

The individual enterprises engaged in industry, transport and commerce amounted to 1,847,000, 1,450,000, and 8,458,000, respectively, accounting for 12 percent, 9.5 percent and 55.1 percent of the national total.

In services, catering and repairs, the private sector represents 10.3, 6.1 and 5.8 percent respectively of the state's total figures.

Moreover, the fast growth of private economy has stimulated competition in the market and forced state-owned enterprises to change their mode of operation.

Now the momentum of the development of the private sector is still going strong, with a diversified mode of operations and increasingly large investment.

To boost their strength, more and more private enterprises are forming groups, not only in the coastal areas but also in the inland provinces and autonomous regions.

Besides, share-holding companies are mushrooming. Foreign investors are seeking the private enterprises as their cooperation partners.

Local authorities and non-governmental organizations are also improving their services for the private enterprises and businesses.

Gap Between Eastern, Other Regions 'Widening'

HK0504100293 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0720 GMT 1 Apr 93

[Text] Beijing, 1 Apr (ZHONGGUO XINWEN SHE)—The gap in economic development between China's eastern region and the central and western region, whose area comprises 88.6 percent of the country's total and whose population accounts for 63.1 percent of the country's total, is visibly widening with every passing year.

An Agriculture Ministry official has pointed out that, if this state of affairs is allowed to continue, it will be disadvantageous to China's economic development and political stability.

According to a division by the relevant mainland departments, the eastern region includes ten [as received] provinces and municipalities: Beijing, Tianjin, Liaoning, Shandong, Hebei, Jiangsu, Zhejiang, Fujian, and Guangdong. The central region includes ten provinces: Heilongjiang, Jilin, Shanxi, Shaanxi, Sichuan, Henan, Hubei, Hunan, Jiangxi, and Anhui. The western region includes ten provinces and autonomous regions: Inner Mongolia, Ningxia, Gansu, Qinghai, Xinjiang, Yunnan, Guizhou, Tibet, Guangxi, and Hainan.

A quantitative analysis shows that the gap between the eastern region and the central and western region can be seen through the rural population's per capita agricultural product, the output value of township enterprises, the output value of township enterprises, the per capita income of the rural population, and the per capita income of the peasants from township enterprises.

According to information provided by the Agriculture Ministry, the per capita agricultural product of the rural population in 1985 was 1,450 yuan in the eastern region and 716 and 630 yuan respectively in the central and western regions. In 1990, the figure rose to 2,929 yuan, 1,382 yuan, and 976 yuan respectively. In other words, the gap between the eastern region and the central and western region grew wider by 110 and 150 percent.

Of the total output value of township enterprises in 1991, the eastern region accounted for 65 percent; the central, 30 percent; and the west, only 4.2 percent. Moreover, while the three eastern region provinces of Jiangsu, Zhejiang, and Shandong had a total output value of over 100 billion yuan, nine provinces and autonomous regions in the western region produced a total output value of less than 10 billion yuan.

In 1985, per capita income of the rural population was 497 in the eastern region and 343 and 355 yuan respectively in the central and western regions. In 1990, the figure rose to 812, 538, and 497 yuan. In other words, the gap between the eastern region and the central and western region grew wider by 80 and 120 percent.

The statistics also indicated that the wider gap between the eastern region and the central and western region was primarily due to the uneven development of township enterprises. In 1990, the rural population's per capita income from township enterprises in the eastern, central, and western regions accounted for 25, 18, and 11 percent respectively.

To reduce the negative effects, the Agriculture Ministry official pointed out that, while continuously maintaining growth in the eastern region, it is necessary to accelerate the development of township enterprises in the central and western region. Otherwise, "it will be disadvantageous to the economic growth of the central and western

region and will also affect the economic development and political stability of the country as a whole."

Western Areas To Receive Emphasis

OW0504133193 Beijing XINHUA in English 1240 GMT 5 Apr 93

[Text] Beijing, April 5 (XINHUA)—China is to adopt a number of new measures to promote the economic development of the less developed western part of the country in order to achieve common prosperity.

The west part of China include Sichuan, Guizhou and Yunnan provinces, the Guangxi and Tibet autonomous regions and northwest China's Shaanxi, Qinghai and Gansu provinces and the Ningxia and Xinjiang autonomous regions.

Although these regions have made great progress like other parts of the country since the introduction of the reform and open policy. [sentence as received] But due to historical and geographical reasons, they are still lagging behind the eastern part of the country.

The key to a rapid development of the western part of the country, according to economists, lies in the deepening of reform and opening to the outside world, accelerate the training of construction personnel and the development of local resources and transform the traditional industries.

China's reform and open policy has already created the necessary conditions for invigorating the economy in the west. The high level of opening in the country as a whole has made it favorable for the western provinces and autonomous regions to import foreign capital and technology. The establishment of a socialist market economy has made it favorable for it to raise funds and introduce the much-needed scientific and technological personnel.

The western part of the country is no long a secluded area, economists said. Instead, it has become an import region for further opening the country to the outside world.

The economic coordination conference of the five south-western China provinces and autonomous regions last year produced the new strategy of strengthening the construction of land ports, telecommunications facilities, road, railways, navigation courses and harbors in order to promote border trade and expand foreign economic cooperation.

The central government has decided to allocate five billion yuan to help the west develop rural industrial enterprises, which is regarded as the key to the economic rise in the western part of the country.

With these measures, a new situation will appear in the development of natural resources, communications, energy, township enterprises and tourism in this part of the country, which will become a new hot spot for development following the eastern part.

IOUs, Rising Prices Press Cash-Strapped Farmers

HK0404071093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4 Apr 93 p 8

[Article by Wu Yunhe: "Farmers Holding IOUs, While Pesticide Prices Stay on Rise"]

[Text] Farmers need to spend money on chemicals that ensure their crops are not damaged by weeds, pests and plant diseases.

But the increased use of chemicals is creating a vicious circle for farmers who are faced by spiralling prices of both foreign and domestic pesticides.

Farmers, many holding government IOUs instead of cash, suffer from a shortage of funds.

The problem could bring about an undesirable situation in agricultural production this year, some officials have warned.

Pests wrecking crops may force farmers to raise their chemical consumption this year, the Ministry of Agriculture predicts.

Chinese agricultural officials say farmers may this year use more than 190,000 tons of various pesticides, germicides and herbicides to prevent their crops from being damaged by plant diseases and pests such as moths and locusts.

As the spring arrives, plant disease and pests tend to become a greater problem.

A survey of the country's major farmland, conducted by a group of agronomists from the ministry, shows that in 1993 farmers will need about 140,000 tons of pesticides, 24,000 tons of germicides and 26,000 tons of herbicides.

Activities involving the prevention and control of plant diseases and elimination of pests in the country's paddy fields will consume about 45,000 tons of farm chemicals.

The rice-growing fields being or due to be affected by the various diseases and pests will total 46.7 million hectares.

As a result, farmers will need more than 17,000 tons of farm chemicals to protect their agricultural production this year.

The country's more than 17.3 million hectares of farmland are being overgrown with various weeds, which are checking the growth of agricultural crops.

The situation will add to the difficulties for farmers to sustain a steady agricultural production, not to mention the spiralling prices of farm chemicals this year.

This year, the Ministry of Chemical Industry has decided to call off its subsidies for imported farm chemicals in order to lighten the financial burden on the State.

It also plans to introduce a market mechanism for the price setting of domestic agricultural chemicals, which have, for years, been under the control of a state monopoly system.

At present, the industry produces more than 260,000 tons of farm chemicals and 98 million tons of chemical fertilizers annually. Some of these are sold abroad.

East Region

Hefei Uses Foreign Funds To Renovate Facilities

OW0304045893 Beijing XINHUA in English 0223
GMT 3 Apr 93

[Text] Hefei, April 3 (XINHUA)—The establishment of an eye-catching, dome-shaped movie theater in downtown Hefei, capital of Anhui Province, is another sign that renovation of local cultural facilities is in high gear.

With a total investment of 18.2 million yuan (about 3.2 million U.S. dollars), the "Guangming Cinema," a joint venture between Hefei city and a Hong Kong firm, is the province's biggest enterprise to date in the cultural field in terms of foreign investment.

Most of the city's cinemas, theaters, cultural palaces and exhibition halls are 30 to 40 years old; some are even listed as dangerous, according to local officials.

To change this situation, the local government has granted a series of favorable treatment to attract foreign funds for reconstructing these buildings.

According to the Hefei Cultural Bureau, other joint ventures in theater reconstruction are already in the making.

The projection hall in the Guangming Cinema is equipped with a screen that extends 9.5 m in height and 21 m in width, and is the second largest in Asia.

Jiangsu Plants Trees To Improve Environment

OW0204103993 Beijing XINHUA in English 0937
GMT 2 Apr 93

[Text] Nanjing, April 2 (XINHUA)—More than 70 percent of the plains in east China's Jiangsu Province have been afforested, which, in turn, has helped improve the local environment, enhancing attractions for foreign investors.

Officials said that some 61 counties, accounting for 74 percent of the total land area of the coastal province, have reached the national standard for afforestation in plain areas.

Jiangsu, which has few hills, is composed predominantly of plains. Officials said afforestation has helped the province attract more foreign investors who now have a better environment to live in.

There are now some 470,000 hectares of forests in the plains of Jiangsu. A province-wide forest network, now taking shape, features a coastal shelterbelt, fruit groves on the northern bank of the Huaihe River and assorted forests along the Yangtze River.

Low-lying land in the Lixiahe areas has benefitted much from the afforestation project.

Depressed areas have been opened as fishing pools. Local farmers have planted trees on the banks and raise ducks in the pools.

Meanwhile, fast-growing trees are being planted in such major cities as Xuzhou, Huaiyin, Nanjing and Zhenjiang. Some 33,000 hectares of poplars, paulownias and China firs already decorate these areas.

As a result, a number of tourism spots, high-grade villas, holiday resorts and forest parks have been set up in Suzhou, Wuxi, Changzhou and Nanjing.

Officials said an increasing number overseas tourists are visiting these areas and that some are investing in the province.

The number of foreign-funded enterprises in Jiangsu has topped 10,000, second in scale only to south China's Guangdong Province.

Shandong Approves Namelist of CPPCC Members

SK0404064093 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 3 Apr 93

[Text] At the 24th meeting of the provincial Chinese People's Political Consultative Conference [CPPCC] Standing Committee, which recently ended, the participating members approved the namelist of members for the seventh provincial CPPCC committee.

Seven-hundred and forty members make up the new provincial CPPCC committee, and its composition fully reflects the new pattern, lineup, and characteristics occurring in the people's political consultative activities under the new situation. First, the seventh provincial CPPCC committee represents the social circles more extensively and conforms to the demands of the times. These members not only include members of various democratic parties and mass organizations; nonparty democratic personages; noted personages of various nationalities and religious circles; representative personages of returned Overseas Chinese and Taiwan compatriots; and scholars, experts, and noted personages from the circles of science and technology, education, public health, and physical culture and sports; they also include personages from the economic circles as well as from Hong Kong and Macao. The total number of categories of social circles represented by these members has increased to 30. Second, the members of the seventh provincial CPPCC committee not only include a number of veterans who are of noble character and high prestige, but also include a large number of new outstanding talented personnel. Among the 740 members, 451 are newcomers and account for 61 percent of the total. Thus, the new provincial CPPCC committee has further realized cooperation and replacement between the new and the old. Third, the quality and cultural standards of the new provincial CPPCC committee's members have been obviously upgraded. Of these members, 550 have studied in the institutions above the university or junior

college levels and account for 74 percent of the total; those possessing high-level professional titles are 387 and account for 53 percent of the total, surpassing the previous high. The coordination and cooperation conducted by such a large number of experts and scholars with the professional backbone personnel who are actively working on the forefront of production will infuse new vigor into the CPPCC Committee, which has a galaxy of talent.

Shandong Holds Meeting on GATT Implications

SK0204082393 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 30 Mar 93

[Text] On 30 March, the provincial commission for study of economic and social development strategy held an executive meeting to especially study the influence over the province's economy after China restored its position as a signatory state to GATT and to study what countermeasures we should adopt to treat the situation.

The meeting was chaired by Liu Peng, executive vice chairman of the provincial commission for study of economic and social development strategy. Responsible persons of the provincial commission and the provincial-level departments concerned attended the meeting.

At the meeting, the participants heard the report of the provincial economic research center on the influence over the province's economy after China restored its position as a signatory state to GATT, and on the suggestions on what measures we should take.

Through discussions, the participants maintained: The restoration of China's role as a signatory state to GATT has brought about new favorable opportunities to the province's industrial development. Simultaneously, we are also confronted with grim challenges. The favorable aspects of the influence are as follows: The situation will be conducive to the establishment of the new market mechanism, the improvement of the export environment, the expansion of external trade, the acceptance of international economic and technological advantages, and [words indistinct] of foreign advanced technologies; will improve the provincial industries' international competitiveness; and will be conducive to the setup and improvement of the [words indistinct]. The major unfavorable aspects of the influence are as follows: The provincial current economic pattern will suffer a big blow, the high technology industries will face much pressure over capital, the town and township enterprises will face new challenges, service trades will suffer new blows, and difficulties will be occur in the readjustment of the provincial industrial structure.

The meeting participants maintained: Facing the new situation, we should actively welcome challenges and grasp favorable opportunities to develop. The problems that must be solved at present are to solve the problems concerning [words indistinct], to achieve the mass media and propaganda work, to speed up the changes in the government functions, to conscientiously change the

managerial mechanism, to realistically strengthen leadership, and to attend to the work after entering the GATT.

Shandong Launches Struggle Against Train Bandits

SK0504045493 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 29 Mar 93

[Text] The provincial committee for comprehensive management of social security held the second plenum on the afternoon of 29 March. At the meeting, a decision was adopted on launching a struggle of exercising dictatorship over train bandits and highway overlords throughout the province from now until the end of this year, as well as a struggle against prostitution, so as to safeguard good social order. Gao Changli, deputy secretary of the provincial party committee and chairman of the provincial committee for comprehensive management of social security, presided over the plenum and delivered a speech.

It was pointed out at the plenum that the communication and transportation of railroads and highways represent a large artery of the national economy. A success in the struggle against train bandits and highway overlords represents an important task of implementing the spirit of the 14th CPC Congress, consolidating the central position of economic policies, and safeguarding social security. Our province scored certain achievements in dealing strict blows at the criminal activities of train bandits and highway overlords in 1992. It cracked down on more than 700 cases of train bandits and highway overlords, smashed 27 criminal rings, and arrested more than 600 criminal elements.

It was stressed at the plenum that the province must adopt effective measures this year to unrelentingly and strictly deal blows at the criminal activities of train bandits and highway overlords. Party committees and governments at all levels should pay great attention to the struggle and organize the relevant departments to cooperate with one another in the struggle. They should adopt the measures of dealing blows, being on guard against crimes, and conducting education to work along multiple lines. They should also conduct comprehensive management and strive to score practical results. Meanwhile, they should enhance their leadership over the work of banning prostitution and actively do a good job in launching the struggle against prostitution. They should uphold the principle of dealing strict blows, strictly punish criminals and handle criminal cases, and enhance the management and the measures of being on guard against crimes so as to continuously consolidate and broaden the work in this regard.

Attending the plenum were Chen Jianguo, member of the provincial party standing committee and secretary of the commission of political science and law under the provincial party committee; Guo Changcai, vice governor of the province; Han Bangju, special adviser to the provincial people's government; and Jin Baozhen, vice

chairman of the provincial Chinese People's Political Consultative Conference Committee.

Shandong Peasants' 'Burden' Exceeds State Plans

SK0204070793 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 31 Mar 93

[Text] According to the province's sample investigation data, our province's per peasant burden accounted for 8.8 percent of the per capita net income in 1992 and showed a 0.8 percentage points decrease over 1991. The province failed to fulfill the 5-percent standard set by the state. Of the 17 cities and prefectures across the province, the decreased scale of the five cities and prefectures of Dezhou, Dongying, Binzhou, Heze, and Weifang was larger than others; and the peasants' burdens in the three cities and prefectures of Zaozhuang, Rizhao, Linyi were not reduced but aggravated. The highest per peasant burden of Dezhou Prefecture accounted for 13.6 percent of the per capita net income; that of Binzhou Prefecture accounted for 11.4 percent; and that of three cities and prefectures of Weifang, Jining, and Heze accounted for more than 9 percent.

Foreign Investment Increases in Shanghai

OW0204073593 Beijing XINHUA in English 0715
GMT 2 Apr 93

[Text] Shanghai, April 2 (XINHUA)—Foreign interest in investing in Shanghai, China's leading industrial center, has soared since the beginning of this year.

According to statistics, the Shanghai Municipal Government has approved the establishment of 750 foreign-funded projects, up 240 percent over the same period of last year, and the amount of foreign investment agreed upon came to 1.85 billion yuan, rising by 290 percent.

A municipal government official said that Shanghai, standing in the forefront of China's opening further to the outside world, is an ideal place for foreign capital.

The first quarter of this year has seen 19 trans-regional corporations invest in Shanghai's industry, transportation, machinery, banking, trading and commerce.

Among the newly approved foreign-funded projects, there are 96 each with an investment of at least five million U.S. dollars, an increase of 67 percent over the same period of last year.

There are 133 projects each with an investment of five million U.S. dollars still waiting for approval.

According to the official, 238 out of the newly-approved projects are in the service trades, up 31 percent from the same period of last year. They have a total contractual investment of 1.3 billion U.S. dollars, an increase of 73 percent.

Up to now, the official noted, Shanghai has set up 4,039 foreign-funded projects with a total investment of 8.54 billion U.S. dollars. More than 2,000 of them have gone into operation.

Shanghai's Chongming Island To Build Wharves

OW3103082593 Beijing XINHUA in English 0802
GMT 31 Mar 93

[Text] Shanghai, March 31 (XINHUA)—Chongming, China's third largest island after Taiwan and Hainan, plans to build eight wharves for accommodating ships of 10,000 dwt in the next few years in cooperation with Chinese and foreign firms.

Chongming, located at the estuary of China's longest river, the Yangtze, is a county administered by Shanghai, the country's leading manufacturing center.

A local official said authorities have decided to invite Chinese and overseas firms to build new wharves along a 38-kilometer deep-water coastline.

He said authorities plan to build three wharves for container ships of 50,000 dwt [dead weight tons]; five wharves for cargo vessels of 10,000 dwt; four ship repair and dismantling docks; warehouses; transshipping wharves and passenger ship wharves.

Some overseas firms are now discussing with local authorities their investments in the new wharves, the official said.

Shanghai's Tongzhou Unveils 'Ambitious' Plan

HK0504041593 Beijing CHINA DAILY in English
5 Apr 93 p 3

[Report by staff reporter Wang Rong: "Tongzhou Looking for Wealthiest City Tag"]

[Text] The northern Yangtze city of Tongzhou has unveiled plans to become the wealthiest in the region.

It plans to double all of its 1992 economic indexes by 1995. These include industrial and agricultural output value, the use of foreign funds, foreign trade volume and tertiary industry output.

For the year 2000, its target is to increase per capita GDP [gross domestic product] to more than 7,500 yuan (\$1,300), according to Zhang Yongkai, the city's vice-mayor.

Tongzhou, with a population of 1.46 million, is already well on the way to its goal, Zhang told a news conference held Saturday [3 April] in Beijing.

Facing Shanghai across the Yangtze River, Tongzhou has 600 years of foreign trade history. Since it became an open city in 1988, more than 140 join-venture firms have been set up here.

Roughly \$50 million in overseas funds will be pumped into the city, while up to 2,000 types of products made in Tongzhou are sold in more than 100 countries and regions.

Last year Tongzhou enjoyed drastic economic growth, with increases ranging from 27 percent in GDP to 95 percent in industrial profits.

The boom has been sparked by its location, where the river-side development belt meets the coastal development belt in one of China's most affluent regions. It is also within the reach of the thriving Pudong development area in eastern Shanghai.

The ports of Nantong and Lusi are under construction and Xindong airport is just six kilometres from the city. Tongzhou has drafted an ambitious blueprint for the years leading up to 2000.

A 11-square-kilometre economic and technological zone already boasts 38 projects—accounting for 330 million yuan (\$57 million) of investment—one third of which are joint ventures. Overseas input of \$24 million came from businesses in the United States, Canada, Taiwan and Hong Kong.

Already in the pipeline are projects including a highway to link the city with neighbouring boomtowns, a roadside development belt and a science and technology centre that will help support 100 key firms and realize 10 billion yuan (\$1.7 billion) of industrial and agricultural output value.

The city will also develop a market-oriented agriculture sector, boost efficiency in its industries, further lift restrictions on the tertiary industry, and upgrade its educational and technological development.

Central-South Region

Guangdong Villagers: Police 'Looked on' During Clash

HK0304034893 Hong Kong SOUTH CHINA MORNING POST in English 3 Apr 93 p 1

[Report by staff reporter]

[Text] Victims of the bloody fighting between two villages on the outskirts of Guangzhou have claimed the local police looked on as the violence escalated.

The clash between Lianbian and Yongtai took place on Tuesday [30 March] over disputed land ownership, and resulted in two Lianbian villagers being killed and more than 100 others injured.

According to witnesses, local officers and anti-riot police dispatched by the municipal authorities were present during much of the three-hour-long bloodbath.

Lianbian villagers accused officers from Tonghe Town, which administers Yongtai, of siding with them.

But police from Guangzhou and from the town of Xinshi, which administers Lianbian, were also said to have taken no action as the fighting escalated.

One of the dead was the former Communist Party secretary of Lianbian, 73-year-old Mr Peng Cangao.

According to his relatives, Mr Peng had sought refuge in a police car.

But his attackers forced open the window and shot at his head with a hunting rifle.

After being pulled from the car he was slashed on the face and back with a sword.

Lianbian residents claimed they grabbed a hunting rifle from Yongtai villagers during a previous clash and handed it over to the police.

They accused the police of returning the weapon to their rivals even though possession of firearms is outlawed.

Mr Peng's son-in-law, Mr Ye Zhiwei, said: "Police at the scene had guns. They should have taken immediate measures to stop the fighting.

"This is clearly a dereliction of duty."

Following the incident, large numbers of armed police took up positions on the outskirts of Yongtai to prevent Lianbian villagers from trying to avenge the deaths of their two elders.

Armed police on motorcycles patrolled the section of road between the two villages yesterday, checking the identity of strangers.

Guangzhou officials have not released information on the number of villagers arrested or whether any charges relating to the killings were contemplated.

Municipal authorities and the courts had been asked to adjudicate in the dispute over ownership of a plot of land, which had become valuable with Guangdong province's economic development spreading into the countryside.

Guangdong Steps Up Control of Illegal Guns

HK0304050293 Beijing ZHONGGUO XINWEN SHE in Chinese 1501 GMT 24 Mar 93

[By reporter Mo Fei (5459 7236)]

[Text] Guangzhou, 24 Mar (ZHONGGUO XINWEN SHE)—The public security department in Guangdong Province has cracked down on some cases of possession of fake guns, and the provincial public security bureau today reiterated that it is illegal for any units or individuals to manufacture, transport, sell, or possess fake guns, and that those who do so must be punished by law.

A relevant person of the province's public security bureau said that in recent years, as the phenomena of

illegally manufacturing, transporting, selling, and possessing various kinds of guns and the cases of violating state regulations on gun management, in particular, increased, some units and individuals were carried away by profits and unlawfully bought from other provinces and cities a large quantity of fake guns, such as steel ball guns, stun guns, and tear-gas guns. Some units even issued so-called "gun possession permits" to the persons buying guns from them, to the extent that more and more people in the society possessed fake guns of various kinds, and the number of armed crimes increased greatly.

The relevant supervisory person pointed out that among the persons who unlawfully possess these guns are factory managers, managers, security guards, individual operators, and contract work team leaders, and that some illegal elements used their illegally possessed guns to commit crimes, such as robberies and blackmail, to the extent of seriously jeopardizing public order and the people's lives and property. Last year, the province established 561 files to handle gun sales, armed killings, and robberies; the figure was an increase of 70 percent over the previous year, and some of the cases were committed by criminals armed with fake guns.

The Guangdong Province Public Security Bureau today demanded that various localities in the province carry out an overall inspection of the situation of the manufacturing and selling of fake guns and stun guns, that they thoroughly confiscate various kinds of illegal guns and ammunition which have leaked into society, and that they follow a strict system of gun management and harshly punish those who illegally possess guns and refuse to give them up and those who continue to commit criminal activities.

Shenzhen Mayor Sees No Conflict With Hong Kong

HK0204013093 Hong Kong SOUTH CHINA MORNING POST in English 2 Apr 93 p 10

[Report by Chris Yeung in Beijing]

[Text] Shenzhen's mayor Mr Li Youwei said the special economic zone [SEZ] and Hong Kong could seek joint development to become the power-house in the Asia-Pacific economy.

Striving to become the window of China, Shenzhen will not threaten the special status of Hong Kong, Mr Li said, adding the development of the two areas could be complimentary and mutually beneficial.

"There are no mutual conflict and contradiction between the two places," Mr Li said.

"For instance, the Huangtian Airport (in Shenzhen) could help alleviate the already-saturated airport of Hong Kong. The same is also true for Yantian Port, which will help reduce the burden on Hong Kong's container ports."

Mr Li said companies from the two places could also be listed in the stock markets of both cities.

"It will not damage the growth of each other but further promote it. The faster the economic development in Shenzhen the more will be the advantages to Hong Kong's stability and prosperity."

Mr Li said the city has mapped out its development strategy to the year 2000 to become an export-oriented, international city.

"The goal is to serve as a window for the hinterland so that the domestic and international markets could be linked together," he said.

In spite of the national strategy of an "all-directional" opening, Mr Li said they were not worried about the competition from other regions.

"The wider the openness of the country, the greater the pressure for us to upgrade our standard and range of products," he said.

Mr Li said the SEZ would take the lead to pioneer reforms to replace the planned economy by the market economy.

"It will be no onerous task to redirect the methods of allocation of resources from administrative measures to market-oriented measures," he said.

"At stake are the readjustment of power and interests."

Maintaining that the reform bid by the former Soviet Union was a failure, Mr Li said China's experiment has been based on the practical conditions of the country and conducted step by step.

Looking ahead, he said the city would take bolder steps to "perfect the system for the market economy" in order to give full play to market forces.

"By doing so, it will help to make the Chinese economy keep in line with the international market."

He said the SEZ would formulate laws governing the securities, stock and property market this year.

Shenzhen plans to complete the drafting of a set of 84 laws and regulations on the operation of the market economy in three years.

Hubei Secretary on Lightning Peasant Burdens

HK0304073093 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 25 Mar 93

[Text] The provincial party committee and government called a province-wide emergency teleconference yesterday on lightning peasant burdens. Leading cadres from the provincial party committee, government, and military district, including Guan Guangfu, Zhong Shu-qiao, Ding Fengying, Li Daqiang, Zhang Huainian, and Xu Shiqiao attended the conference. Vice Governor

Zhang Huainian presided. Zhong Shuqiao, deputy secretary of the provincial party committee, relayed to the participants the emergency circular on conscientiously lightening peasant burdens issued by the General Offices of the CPC Central Committee and the State Council. Guan Guangfu, provincial party secretary, and Li Daqiang, member of the provincial party committee standing committee and vice governor, made important speeches.

Guan Guangfu stressed in his speech: With regard to the problem of excessively heavy burdens on peasants, substantial work has been done and certain results have been attained in various localities up to now. However, many issues are far from being fundamentally improved, and the work of various localities is very uneven. In some places, particularly in villages where the work foundation is relatively weak, there are still quite a few problems. Serious cases resulting in extremely adverse impacts have even occurred. In these circumstances, the masses' interests are seriously damaged, and the relations between the party and the masses and between the cadres and the masses are deteriorating. If it is not properly handled, the stability of the economy as a whole and the tranquility of society will be affected. We should see how things develop from the first small beginnings. It is time we took resolute measures to tackle this problem. This is a matter of paramount importance which affects the overall situation. The guiding ideology of party committees and governments at all levels must be very clear, and their attitude must be very firm. They must be solemnly determined and make sure that the guidelines of the circular issued by the two offices of the central authorities are actually put into effect. In doing concrete work, attention should be paid to the investigation of typical cases in various localities, and the work should be carried out as meticulously and appropriately as possible so that it is both resolute and reliable.

Guan Guangfu pointed out: It is necessary to penetratingly understand and grasp the spirit and essence of the emergency circular of the central authorities, and take resolute measures according to the requirements set in the circular. There are principled proposals in the guidelines of the circular issued by the two central offices which we should pay attention to grasping. 1) The circular definitely stipulates: Except for the stipulation on the village reserve funds and township unified levies that must be strictly controlled to within 5 percent of per capita net peasant income of the previous year, which will continue to be carried out, the rest, including various kinds of apportioning, fund-raising, activities for fulfilling targets, charges of an administrative and undertaking character, all sorts of funds founded in rural areas, and so on which involve charges to be borne by peasants, as set forth in the documents or stipulations formulated by governments at whatever level and by whichever departments, should first be suspended without exception, and then sorted out. This is a new guideline. The 1993 program for peasant burdens drawn up by various localities should be readjusted and properly acted on

according to this guideline. 2) The circular clearly points out that the root of the problem of excessive peasant burdens rests with various departments at higher levels. It can be stated that the crucial point of the problem has been seized. The work should start with the provincial party committee and government and various departments directly under the provincial authorities, who should take the lead in screening the documents involving peasant burdens. The screening should be completed before the end of May. Those that should be abolished must be annulled resolutely, and those that should actually be carried out must be examined first and then carried out again after being reapproved in accordance with the stipulations. 3) The circular stresses that the principal party and government leading cadres at all levels should take the investigation and study seriously and hold fast to the implementation in person.

Guan Guangfu said: To resolve the problem of excessively heavy peasant burdens, it is necessary to trace the source and to effect a temporary and permanent cure. Judging from the conditions that we have grasped through previous investigations, the following related issues should be solved carefully and properly: 1) We should solve the issue of pros and cons. When there are monks, people will build a temple, and after the temple is built, they will do things on a grand scale, which, more often than not, exceeds the tolerance of the ordinary people and adds to the burdens of peasants. 2) We should effectively overcome the lopsided concept of making political achievements. Instead of acting according to their capabilities, some leading groups and cadres just assume things subjectively. In order to exhibit good political performances, they set overly high and pressing demands, or even force people to act according to their orders. This is very bad behavior among the ranks of cadres. Such an ideological concept should be changed so as to really bring benefits to the people. 3) In the course of developing the socialist commodity economy, the concept of serving grass-roots units and the masses has become vague in many departments. In face of an event, they lopsidedly stress economic interests and stretch out their hands to peasants from all directions, rather than considering matters from the concepts of policy, law, and discipline, as well as from the standpoint of the masses. 4) Some of our policies and stipulations lack a scientific basis, and are not in keeping with local conditions. Hence, some problems have inevitably occurred. On this issue, we deeply feel that we have done disservices to peasants. We, the leading organs, should take responsibility for that. 5) By and large, the grass-roots cadres are good, and have done substantial arduous and meticulous work on the front line. Their achievements are the essential aspect, but the quality of some cadres is not so good. They are poor at doing meticulous work, behave in an oversimplified and crude manner, or even violate law and discipline. We should look squarely at all these problems. The province, from top to bottom, must take effective measures with concerted efforts to resolve them as quickly as possible.

Guan Guangfu said: We should certainly abide by all regulations that have been promulgated, put an end to all things that have been prohibited, intensify supervision, enforce discipline, and effect strict and impartial awards and penalties. Those who have done a good job and scored remarkable results should be commended, and their experience should be summed up and disseminated. Those who have acted slowly and failed to do their best should be criticized. We should strictly check and act upon the serious cases arising from excessively heavy peasant burdens, and intensify supervision and examination on the conditions of screening peasant burdens. On this issue, the prefectural party committees must get involved and conscientiously augment their strength to handle the matter in a coordinated way. Propaganda departments and the press should increase their reports by tracking the progress of events, and publicize typical positive and negative examples, in a bid to enhance the concept of the democratic legal system among cadres and masses.

Vice Governor Li Daqiang made concrete arrangements on implementing the guidelines of the emergency circular issued by the two central offices to actually put into practice the various policies and measures for lightening peasant burdens.

Southwest Region

Secretary Visits Yunnan Students at Party School

HK0304013093 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 30 Mar 93

[Text] Yesterday evening, the province's party and government leaders who are attending the First Session of the Eighth National People's Congress [NPC], including Pu Chaozhu [provincial party secretary], Yin Jun, Zhao Shumin, and Bao Yongkang, went to the Central Party School to visit the 28 students from Yunnan who are studying there, encouraging them to study assiduously in order to contribute to developing Yunnan's economy.

Pu Chaozhu briefed the students from Yunnan on the ongoing First Session of the Eighth NPC. He said: This is a very important meeting. In light of actual conditions, the Yunnan deputies attending the congress put forward many good proposals on how to seize opportunities to boost the economy. In their opinion, if Yunnan is to attain faster economic growth, it is necessary to intensify the basic position of agriculture; effectively carry on the construction of infrastructure facilities with stress on communications; place science, technology, and education in the first strategic position; open wider to the outside world; and vigorously develop township and town enterprises.

Pu Chaozhu said: In the future, we should further study the guidelines of the 14th party congress and the First Session of the Eighth NPC, and enhance awareness of the market, openness, science, and technology so that Yunnan's economy will be able to scale new heights.

Yunnan Governor on Lancang Jiang Economic Belt

HK0504035493 Beijing ZHONGGUO XINWEN SHE in Chinese 0626 GMT 29 Mar 93

[By reporter Geng Jun (5105 6511)]

[Text] Beijing, 29 Mar (ZHONGGUO XINWEN SHE)—He Zhiqiang, Yunnan governor and deputy to the National People's Congress, today spoke highly of the penetrating opinion of an analyst that "you can hear Yunnan's heart beat by feeling the pulse of Lancang Jiang."

With a well thought-out plan, He Zhiqiang told this reporter: The curtain of comprehensive development of Lancang Jiang economic belt has been lifted and a strategic change will be effected in Yunnan's economy.

For various reasons, He Zhiqiang said, there is a vast difference between the east and west regions in Yunnan, and the productive forces are mainly distributed in east Yunnan. The extent of industrial development is relatively low in the vast west Yunnan, which has an area accounting for three-fifths of the province, a population accounting for two-fifths, and natural resources accounting for over 70 percent. The comprehensive development of the Lancang Jiang economic belt is a major policy decision for turning west Yunnan's advantage of natural resources to economic advantage and further optimizing the distribution of Yunnan's productive forces.

According to He Zhiqiang, the development of the Lancang Jiang economic belt will be divided into three sections:

The upper section, which includes Diqing, Sujiang, Dali, and Baoshan, will focus their development on natural resources, such as lead, zinc, tin, copper, antimony, and nonferrous metals and asbestos and marble mines. The reserves of lead and zinc here are the largest in China. The Lanping lead and zinc mine, which is to go into operation in May this year, will become China's largest lead and zinc base. It will enable Yunnan to increase its nonferrous metal output by over 100 percent.

The middle section, which includes Lincang, Simao, and Dali and part of Baoshan, will focus their development on power generation, paper making, and watch metals. The rich reserve of hydroelectric power here is known nationwide. Two large hydroelectric stations in Manwan and Dachaoshan will go into operation in the 1990's. The Xiaowan hydroelectric station, with an installed capacity of 4.2 million kw, will generate power in the year 2003. Yunnan's largest paper industrial base is also located here. The paper mill, built with loans from the Asian Development Bank, can produce 100,000 tonnes of paper and is located in Simao. Another paper mill which can turn out 10,000 tonnes of paper has been set up in Baoshan. In addition, a large gold mine and a silver mine will be exploited here.

The lower section, which includes Xishuangbanna and part of Simao, will focus their development on the following: Open up the Lancang Jiang-Mekong international shipping navigation line, build eight ports, and transport goods for border trade; develop tourism in the four countries along the Lancang Jiang-Mekong; build the Nuozhadu power station with an installed capacity of 5 million kw, the Jinghong power station with an installed capacity of 1.35 million kw, and the Nanlahekou power station with an installed capacity of 1 million kw; and develop coffee, spices, and other high grade cash crops.

He Zhiqiang, who obtained the title of senior engineer, who was good at thinking comprehensively and who had a practical work style, said lastly: The areas along the Lancang Jiang are inhabited by ethnic minorities. The minority nationalities residing here account for around half of the population of Yunnan's minority nationalities. The comprehensive development here will enormously promote economic development of the border nationality areas. A modern city will be built here, which will be the second largest industrial zone after Kunming. When the Lancang Jiang economic belt takes shape, it will converge with the Southeast Asian economic zone and become a component part of the South Asian economic belt.

North Region

Inner Mongolian Official on Autonomy Law

HK0504083493 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0740 GMT 31 Mar 93

[Special Article by Zhao Duan (6392 4551)]

[Text] Beijing, 31 Mar (ZHONGGUO TONGXUN SHE)—Li Peng stated in his Government Work Report to the Eighth National People's Congress [NPC] that in order to concentrate on economic construction and promote comprehensive social development, China must attach great importance to socialist democracy and legal system building. Mr. Batu Bagen, Sixth and Seventh Inner Mongolia Autonomous Regional People's Congresses Standing Committee chairman and Eighth Chinese People's Political Consultative Conference National Committee Standing Committee member, has really had a true understanding of Li's remarks. Mr. Batu Bagen, an experienced senior CPC official of Mongolian nationality, has been involved in autonomous regional people's congress leadership work for 10 years. He believes that the ultimate duty of the NPC and its Standing Committee is to turn the ruling party's position into the state's will by virtue of legally guaranteed democratic procedures and to unite people of all nationalities throughout the country to implement the ruling party's decisions in accordance with the law.

Thanks to the great tide of reform and opening up, Inner Mongolia Autonomous Region has significantly accelerated local legislative work. According to Batu Bagen, the

Autonomous Regional People's Congress Standing Committee has, since its founding, formulated and ratified a total of 83 local laws and regulations, of which four were formulated and ratified by the Fifth Autonomous Regional People's Congress Standing Committee, 16 by the Sixth Autonomous Regional People's Congress Standing Committee, and 63 by the Seventh Autonomous Regional People's Congress Standing Committee. Mr. Batu Bagen said: The local laws and regulations formulated and ratified by the Sixth Autonomous Regional People's Congress Standing Committee were mainly laws and regulations concerning resources management and people's congress work for trial implementation, whereas the local laws and regulations formulated and ratified by the Seventh Autonomous Regional People's Congress Standing Committee were mainly economic laws and regulations, which numbered 17 in all, namely, Regulations for Encouraging Foreign Investment, Measures for Implementing the Law of Industrial Enterprises, Regulations of Agricultural or Animal Husbandry Production Contracts, Regulations for Managing Extrabudgetary Funds, Regulations for Protecting Legitimate Rights and Interests of Consumers, and so on. These economic laws and regulations have served as a guarantee of Inner Mongolia's reform and opening up.

In recent years China's ethnic minority areas have witnessed more expeditious economic development. However, these areas still lag behind other areas across the country in terms of economic development. The gap between ethnic minority areas and other areas across the country is widening at the moment. How should ethnic minority areas deepen reform and opening up and invigorate economic development? Batu Bagen noted: Because ethnic minority areas had for a long time remained semi-closed to the outside world, most of the cadres and people in those areas now have only a weak commodity economy concept and are ideologically accustomed to such things as self-sufficiency and reliance on outside aid and assistance. This state of affairs has indeed impeded economic development of ethnic minority areas to a serious extent. Under such circumstances, we must first and foremost try to update concepts, brush aside old customs and natural economy mentality, and enhance self-development mentality and market economy mentality; second, ethnic minority areas must try to bring local superiorities into full play. The central authorities have adopted a series of preferential policies toward ethnic minority areas with a view to helping speed up their economic and cultural development, this being a policy priority on the part of ethnic minority areas.

In order to strengthen self-development capability, ethnic minority areas must adhere to and try to perfect a regional autonomy system and comprehensively implement and carry out the "Law of Autonomy for Nationality Areas." Batu Bagen stated: Since the "Law of Autonomy for Nationality Areas" was promulgated and implemented in 1984, we have encountered a multitude of problems in implementing this basic law bearing on

the prosperity and development of ethnic minority areas. First, we have not done enough to secure autonomy for ethnic minority areas. For instance, the state organs at higher levels have neither delegated sufficient powers to nor eased control over autonomous areas inhabited by ethnic minorities in accordance with relevant provisions of the "Law of Autonomy for Nationality Areas." Besides, when exploiting resources and building enterprises in autonomous areas inhabited by ethnic minorities, the state organs at higher levels have not allowed areas concerned sufficient profits and interests; second, autonomous areas inhabited by ethnic minorities, on their part, have neither made sufficient efforts to implement the "Law of Autonomy for Nationality Areas" nor made good and full use of all sorts of rights and interests enshrined for them in "Law of Autonomy for Nationality Areas." For example, Inner Mongolia Autonomous Region has not yet formulated autonomous regulations as well as a whole set of specific and local regulations to this end. The State Council Document No. 70 (1991) issued in 1991 set out 11 regulations for implementing and carrying out the "Law of Autonomy for Nationality Areas." I am firmly convinced that the document will play an important role in bringing about smooth implementation of the "Law of Autonomy for Nationality Areas."

Batu Bagen went on: When carrying out reform and opening up, apart from making full use of distinctive local policy superiorities, ethnic minority areas should also make full use of distinctive local geographical superiorities. Since ethnic minorities are mainly scattered along China's border areas, which are large in area, small in population, and rich in resources, as China's border area development strategy is being implemented comprehensively and on an expanding scale, the border areas are bound to witness both economic and trade integration and industrial, agricultural, animal husbandry, and trade integration and turn into new national-level economic exploitation zones. This will definitely exert a profound impact on ethnic minority areas in terms of economic development. In the end, Batu Bagen emphatically stated: The ethnic minorities and nationality areas must enhance a science and technology concept, place economic development in an orbit marked by reliance on scientific and technological progress and labor quality improvement, and make painstaking efforts to thoroughly eradicate long-standing local educational, scientific, and technological backwardness inherited from history.

Northeast Region

Liaoning Departments 'Fake' Reports on Trade

SK0504042893 Shenyang Liaoning People's Radio
Network in Mandarin 1000 GMT 1 Apr 93

[Report on station reporter's jottings entitled: "Don't Play Again the Dirty Tricks of Deceiving Themselves as Well as Others"]

[Text] Some departments handling business with foreign countries and some localities and units have indulged in formalism while opening themselves up to the outside world and have aroused a great disdain. For example, their economic talks on various categories and their important news briefings are too many and messy. They never stress practical results in these events. Some localities and units never proceed from their reality in applying for holding trade talks and have adopted every possible way and means to sponsor art festivals. However, their festivals and gatherings are for the pure purpose of arts and local conventions and they never truly attach trade talks to these events. They even have projects whose contracts have been signed or are waiting to be signed serve as the proposals and data of their trade talks so as to show off their talks' achievements. Many foreign businessmen have held that both sides of joint ventures may sign their contracts at any time so long as the contents of projects are considered as feasible and that there is no need to have the contracts of these projects signed at trade talks. During his news coverage, the station reporter discovered that there are indeed plenty of such people who have played such dirty tricks of deceiving themselves as well as others. Some localities have had their foreign laborers employed by their enterprises serve as foreign customers in their trade talks as soon as they have discovered that the number of foreign customers is too low. In conducting their propaganda work, they released the fake number of foreign businessmen attracted by their trade talks. Although such things sound very ridiculous, there are actually some localities that have repeated such ridiculous tricks. It is important of course for these localities to end such tricks which result in deceiving themselves as well as others. They were often holding the festivals and gatherings on a grand and spectacular scale and in a lively way and openly disclosed several hundreds of million yuan or more than 1 billion yuan of their business volume scored in their trade talks. After the calculation, the projects' contracts truly signed at the talks were very few. Although these localities have held many festivals and gatherings in various names over the past few years, they have been long unable to boost their economy, to invite business, and to achieve development. Comrades in these localities should be sober-minded and think this over to draw some knowledge from it. They should proceed from their reality and as little as possible play the tricks of deceiving themselves as well as others.

Deng Mentions 'Powerful Means' To Settle Issue

HK0504051893 Hong Kong CHING PAO in Chinese
No 4, 5 Apr 93 p 37

[Article by Ming Li (2494 7787): "Deng Xiaoping Says Seeking Taiwan Independence Is Equal To Provoking Civil War"]

[Text] The CPC Military Circles Keep Close Watch on New Trend of Taiwan Independence

Under the situation of a series of spectacular changes taking place recently in Taiwan's political circles, a source that has connections with the mainland military circles revealed: Recently, some senior officers and persons in charge of military regions on the mainland strongly expressed to the Central Military Commission one after another their stand against Taiwan independence, an independent Taiwan, and a split China. Some high-ranking military officers also proposed that the CPC hierarchy impose an economic blockade on Taiwan to check the growth of Taiwan independence when necessary. However, such proposals have obviously been dissuaded by the central authorities. At a work meeting of the Central Military Commission in early March, Liu Huaqing, vice chairman of the Central Military Commission, said: It is not yet time to adopt concrete actions. We do not hope to see the continued growth of the "Taiwan independence," and we will crush at all costs any activity and scheme to separate Taiwan from the motherland. Recently, Taiwan imported large quantities of advanced weaponry for its Navy and Air Force from the United States and West Europe, carried out Taiwan localization and dual recognition, and conducted activities such as Taiwan independence and others. We should be well prepared and keep sharp vigilance.

The source also disclosed that a speech of Deng Xiaoping on Taiwan's situation was recently transmitted within the CPC's military leadership.

The CPC Will Strive for Reunification at All Costs

Deng Xiaoping said: The two sides of the strait must be reunified. Our stand on this is firm, clear-cut, and consistent. If the Taiwan side thinks that the opportunity has not matured now, we can continue to wait. We have waited for it for 43 years, have we not? Senior Chiang (Chiang Kai-shek) and Mr. Chiang Ching-kuo both confirmed in their lifetimes that there was only one China. They were opposed to one China one Taiwan and to two Chinas. We hope that Mr. Li Teng-hui in Taiwan, being a Chinese, will not be a person of guilt in history, but will be sober-minded on this. If people take advantage of pursuing Taiwan localization to engage in one China one Taiwan, Taiwan independence, and the like, and if they collude with foreign forces to meddle in China's internal affairs, then, under these circumstances, we have no alternative but to adopt powerful means to settle the Taiwan issue for the great cause of reunification of the Chinese nation and for removing fears of a disturbance from behind for coming generations. We know that we

must pay a price for opposing fission and safeguarding territorial integrity. We are forced to pay this price, which we must pay, and which we are in a position to pay. **Is there any country that will tolerate being separated and occupied by foreign countries for all times and in all lands? Therefore, it is impossible for us to announce to the public that we will give up using military means to settle the issue of reunifying the motherland.** This is China's internal affair, which only concerns the family across the strait.

Deng said: In recent years, we repeatedly advised the Taiwan authorities to value the national righteousness above everything else, conform to the development trend of history, oppose things that are detrimental to the adherence of the general principle of one China, and oppose and refrain from doing things that are detrimental to relaxing relations across the strait; eliminate artificial political factors, and develop the relations across the strait through promoting exchange and personnel contacts in economics, science, technology, culture, sports, and other areas in order to eliminate the antagonistic ideas and sentiments existing for decades; and through negotiations and consultation in various ways and at multiple levels and in line with mutual understanding and accommodation, achieve the reunification which the great majority of the Chinese people hope for. Taiwan is different from Hong Kong and Macao, which will be taken back from the colonialists as a matter of course, while the mainland and Taiwan are to realize reunification through negotiations.

The CPC Gives Warning to Those Indulging in "Pragmatism" for National Fission

Deng also said: People on both sides of the strait are from the same family, so they should think more of the interests of the Chinese nation and discard the position of annihilating the opponent or imposing one's own existing system on the other. This is what the Chinese people have been looking forward to. Hence, the proposition of one country two systems is based on the fact that there is a process of reform in the development of both the mainland and Taiwan. Practice has proven that both sides of the strait have attained achievements, but there are also deficiencies on each side. We have repeatedly expressed our position to this effect: We hope that negotiations without preconditions will be held at an early date. Only by so doing can the issue be settled properly and the differences removed. The Taiwan side may put forth any proposal for exploration and consultation. **The interests of a political party should be subordinated to the interests of the Chinese nation, as it is dangerous to depart from these interests.** We hope that the Taiwan authorities will really do practical things, rather than indulge in the "pragmatism" that goes against the principle of one China and the Chinese nation. **I vigorously support the following views of some Taiwan Kuomintang party elders and figures from the political and military circles: The Western powers do not want China to be reunified, nor do they wish to see a powerful and prosperous China after the reunification.**

The Chinese nation and people deeply realize the preciousness of being independent and self-reliant as well as the pains and humiliation of being split.

It is reported that Deng's speech on the Taiwan issue was verbally relayed to the high-ranking cadres in the military circles by Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, and Liu Huaqing, vice chairman of the Central Military Commission.

Cross-Strait Trade Expected To Top \$10 Billion

HK0304055093 Beijing CHINA DAILY in English 3
Apr 93 p 1

[Report by staff reporter Qu Yingpu: "Trade Expansion Tugging Taiwan Nearer Mainland"]

[Text] Pulled by the surge of two-way trade and investment, Taiwan is moving closer to the mainland, and both sides are pushing for expansion of economic exchanges.

Mainland-Taiwan trade is expected to top \$10 billion this year, up substantially from last year's \$7 billion-plus, said Chen Baoying, deputy director of the Research Institute of the State Council's Office of Hong Kong and Macao Affairs.

Since Taiwan continues to ban direct trade with the mainland, indirect trade is still carried out via Hong Kong.

Chen said the forthcoming meeting between two non-governmental bodies—the mainland's Association for Relations across the Taiwan Straits and the Taiwan

Foundation for Exchanges across the Taiwan Straits—will help gear up trade and Taiwan investment on the mainland.

Wang Daohan, director of the mainland organization, and Koo Chen-fu, chairman of the Taiwan body, are expected to meet in Singapore this month.

A local trade analyst predicted that Taiwan's investment on the mainland this year is expected to hit "about \$4 billion."

Taiwan investment in the mainland last year surpassed the past decade's total of \$3.43 billion.

Mainland-Taiwan trade totalled a record \$7.41 billion last year, up 28 percent from the previous record set in 1991.

The analyst, who declined to be identified, said additional sharp growth of trade and investment will be unavoidable as political disputes are being played down to allow further economic cooperation.

He said that, after the mainland pursuing direct economic links for years, the Taiwan authorities finally gave out signals about a relaxation of control on trade and investment.

Early last month, Taiwan said it would allow mainland representatives, managers and technicians to visit the island.

Taiwanese companies investing more than \$500,000 on the mainland will be permitted to bring managerial and technical personnel to Taiwan for training, while mainland representatives will be permitted to visit the island to settle trade disputes.

Reportage on Property Rights Dispute With U.S.

Effect on Textiles Eyed

OW0304090193 Taipei CNA in English 0804 GMT
3 Apr 93

[Text] Taipei, April 3 (CNA)—Local textile industry will be most seriously affected if the United States invokes its omnibus trade act to retaliate against the nation over the intellectual property rights issue, according to an official with the Industrial Development Bureau (IDB) of the Economics Ministry.

The IDB official said that local textile industry chalked up an export value of US\$11.84 billion last year.

The figure, although a one-percent drop from a year ago, was nevertheless satisfactory as it was created against the backdrop of rising labor costs and the appreciating New Taiwan dollar, he said.

The official added that it would be very difficult for the nation to obtain the target of increasing the textile exports to US\$20 billion by the year 2000 under US retaliation.

Should the US impose an 100-percent tariffs on imports from Taiwan, the local textile industry, whose one-fourth exports were to the US market, would be the first to suffer, he said.

This is because that the textile industry, which has been facing difficulty in diversifying its overseas market, would lose its competitive edge to rivals from other countries.

The official urged textile makers to improve their production structure, upgrade technical levels and exploit other overseas markets than the US so as to assure their survival in the future.

Meanwhile, officials with the Taipei textile federation estimated that US retaliation would cause an US\$3 billion loss to the nation's textile makers, thus forcing them to accelerate relocation programs in the mainland or other nations.

President Li To Mediate Efforts

OW0304090393 Taipei CNA in English 0815 GMT
3 Apr 93

[Text] Taipei, April 3 (CNA)—President Li Teng-hui is expected to mediate between the administrative and legislative branches in a new attempt to coordinate the nation's efforts to solve the dispute with the United States over intellectual property rights protection.

The president's move will help ease the mounting trade tension between Taiwan and the United States, which has threatened to invoke special 301 provision of the US Omnibus Trade Act to impose trade retaliation against Taiwan, said a ranking official who requested anonymity.

The administrative branch and the legislature have been divided over a solution to the trade issue with the United States.

In late January, the legislature passed the ROC-US Copyrights Agreement but reserved eight controversial articles, which have become the focus of trade friction between the two countries.

Taiwan might face trade sanctions from the United States if the trade dispute is not settled this month. The US trade representative will issue by the end of April a list of countries for trade retaliation.

Noting that it is high time for the nation to work together on the issue, the official said the exact time of a meeting between the president and legislators is yet to be decided.

Officials of the Board of Foreign Trade (BOFT) pointed out that the president's mediation demonstrates the great importance the country has attached to the protection work for intellectual property rights.

The industrial sector expressed the hope that Li's efforts will lead to a solution to the trade issue, thereby avoiding possible losses to domestic manufacturers.

Noting that the electronics sector will be hard hit by any US trade retaliation, Hung Min-chang, chairman of the Proton Electronics Co., said he feels grateful for the president's stepping in at the crucial moment.

Hsu Shui-teh, secretary-general of the ruling Kuomintang (KMT), noted that President Li, who is also KMT chairman, has been very concerned about the trade issue with the United States which has direct bearing on Taiwan's international image and economic interests.

The KMT secretary general pledged that the ruling party will do its best to strengthen communication between the administrative and the legislative branches to seek a settlement on the problem.

In a meeting between the two branches Friday, the administration urged the legislature to approve the eight reserved articles of the copyright pact, while lawmakers asked government officials to renegotiate with the United States.

The legislators asserted that they will consider approving the eight controversial provisions only after the United States makes proper responses.

Officials present at the meeting included Vice Economic Affairs Minister Sheu Ke-sheng and director Wang Chuan-lu of the copyright committee under the Interior Ministry. Legislators to the meeting were Hung Yi-chin, Wei Yung, Lin Shou-shang, Chiang Wei-ping and Hung Tung-kuei of the Kuomintang as well as Chang Chun-hung and Yeh Chu-lan of the opposition Democratic Progressive Party.

Meanwhile, BOFT Deputy Director-General Lin Yi-fu is leaving Sunday for Washington, D.C. to meet again with US trade officials.

High on agenda of the three-day talks from April 7 to 9 are the ROC-US copyrights agreement and Taiwan's regulations governing trademarks, patents, and cable TV.

The two countries held trade consultations in mid-March but failed to produce any substantial results.

Officials Depart for U.S. Talks

OW0504083393 Taipei CNA in English 0748 GMT
5 Apr 93

[Text] Taipei, April 5 (CNA)—A six-member delegation left for Washington, D.C. Sunday [4 April] in a last-ditch effort to avoid possible US trade retaliation against Taiwan.

Lin Yi-fu, deputy director-general of the Board of Foreign Trade and leader of the group, said prior to his departure that he will do his best to let Americans know of Taiwan's efforts in intellectual property rights (IPR) protection.

High on the agenda of the three-day talks from April 7 to 9 are the ROC-US Copyrights Agreement concerning parallel imports of copyrighted works and Taiwan's regulations governing trademarks, patents, and cable TV.

The Legislative Yuan, the highest lawmaking body of this country, passed the ROC-US Copyrights Agreement in late January but shelved eight controversial articles, which have become the focus of trade friction between the two countries.

The two countries held trade consultations in mid-March, but failed to produce any substantial results.

America has threatened to invoke the special 301 Provision of the US Omnibus Trade Law to act against Taiwan. The office of US Trade Representative is expected to issue a list of countries for trade retaliation by the end of April.

Meanwhile, President Li Teng-hui Monday held a meeting with ranking officials in charge of trade affairs and representatives of the legislature in a new attempt to coordinate the nation's efforts to solve the trade issue with the United States.

The administrative and the legislative branches have been divided over a solution to the trade dispute with the United States.

Taipei May Change Fighter Purchase Plan

OW0504094393 Taipei TZU LI WAN PAO in Chinese
25 Mar 93 p 1

["Dispatch" from Taipei by correspondent Li Chi-kuang (2621 1323 0342)]

[Text] Is it possible that the plan to purchase upgraded F16 A, B fighter planes will be changed? Chen Shui-pien, a Democratic Progressive Party legislator, has quoted high-level personnel at Air Force headquarters as saying that the go-ahead for the purchase plan will be clarified in early June. The sources also said that if the U.S. side demanded that Taiwan shoulder the expense of upgrading, which was unacceptable, then the plan would be changed. In addition, the Air Force said it would not consider purchasing inferior F16 A, B prototype planes. F16 C, D planes might, however, be acceptable.

A foreign media source quoted Chen Shui-pien as saying that the U.S. Congress intended to suspend the "Mid-Term Longevity Upgrading (MLU) plan, which, in turn, had caused Taiwan to reconsider its MLU plan to purchase F16 fighter planes. At the invitation of Air Force Commander Tang Fei, Chen Shui-pien went to Air Force headquarters and talked to him for more than two hours on many issues, including the purchase of F16 fighter planes.

During the discussion, the Air Force said that the total number of planes to be produced by the four North European countries of Belgium, Norway, Denmark, and Holland—the United States' co-developers in the MLU plan—had been cut from 401 to 277, as a result of which there would be an increase in production costs. The Air Force said that if the total number of planes to be produced dropped below 277, the four North European countries might withdraw from the MLU plan.

An Air Force source said: Whether or not the four North European countries pull out of the MLU plan will be decided in early April. Once the four North European countries have made their decision, the U.S. side will submit a quotation to our country. Only at that time can our country formally decide whether or not to continue with its plan to purchase the upgraded F16 A, B fighter plane.

Chen Shui-pien said: During the visit, the Air Force made it clear that once the MLU plan was changed, we would argue strongly with the U.S. side on the following three grounds:

1. Our country will not accept U.S. requests that we shoulder all expenses for upgrading the F16 A, B fighter plane if the four North European countries decide to pull out of the MLU plan.
2. Our country will not accept, either, a U.S. proposal that we purchase the inferior F16 A, B prototype plane.
3. Our country will accept, however, a U.S. proposal to sell us the F16 C, D fighter plane.

Chen Shui-pien said: So far our country has paid \$98.8 million in down payments for purchasing the F-16 fighter. But the second installment, due on 15 March, has not yet been paid because we have not reached an agreement with the U.S. on the industrial technology transfer as required by the Legislative Yuan to off set the purchase, and because of a possible change in the plan for manufacturing F-16 A and B upgraded fighters.

During the discussion Chen Shui-pien also found out that, according to what the high-ranking air force general has said, among the 24 major self-made component parts for our independently developed fighters, there is not a single item which can be used in the F-16's. But former Premier Hao Po-tsun once said, when answering a legislative meeting on examining the supplementary budget for purchasing the fighters, that 40 percent of the component parts can be interchangeably used in our independently developed fighters as well as in the F-16's. It is sufficient to prove that Hao Po-tsun brazenly told a lie to the congress.

Chen Shui-pien said: If the MLU plan remains unchanged and the original plan to purchase the F-16 A and B upgraded fighters from the United States is carried out, then we should adhere to the resolution adopted by the Legislative Yuan to reach an industrial technology transfer agreement with the U.S. side as soon as possible, otherwise the supplementary budget for purchasing the fighters shall not be used. In addition, after a reexamination the Legislative Yuan should cancel the special budgetary bill for purchasing the F-16's—a rider of the 1994 general budgetary bill of the central government.

Preparations Made for Cross-Strait Ties Meeting

Council To Announce Itinerary

OW0304090293 Taipei CNA in English 0759 GMT
3 Apr 93

[Text] Taipei, April 3 (CNA)—The Mainland Affairs Council will announce at a press conference Saturday [3 April] the agenda of the April meeting between C.F. Koo of the Straits Exchange Foundation (SEF) and Wang Daohan of the Association for the Relations Across the Taiwan Straits (ARATS).

Also made public Saturday will be the itinerary of SEF Secretary-General Cheyne Chiu's trip to Peking from April 7-11 and the contents of the preparatory negotiation prior to the mid-April Koo-Wang meeting in Singapore.

The SEF is authorized by the Mainland Affairs Council to hold an unprecedented meeting with its mainland counterpart ARATS to discuss such issues as cross-strait documentary notarization and guarantee to cross-strait investments.

The council will also reveal the contents of the letter of authorization at the press conference to clear the suspicion of certain people that the Koo-Wang meeting will touch upon political topics.

The opposition Democratic Progressive Party (DPP) has demanded that the Koo-Wang meeting be closely supervised by the DPP. DPP chairman Hsu Hsin-liang expresses his concern about Chiu's trip to Peking.

Hsu maintained that the preparatory negotiation should be able to take place in Hong Kong.

In addition, five non-partisan legislators have also expressed the wish to attend the Koo-Wang meeting as observers.

SEF Official in Beijing Before Talks

OW0504082293 Taipei CNA in English 0807 GMT
5 Apr 93

[Text] Peking [Beijing], April 5 (CNA)—Hsu Hui-yu, director of the Straits Exchange Foundation's [SEF] Department of Legal Services, arrived in Peking Sunday [4 April] afternoon to discuss details for SEF Secretary-General Cheyne Chiu's April 7 visit to Peking.

Chiu will fly to Peking to arrange for the meeting between SEF Chairman C.F. Koo and Koo's mainland counterpart Wang Daohan, chairman of the Association for Relations Across the Taiwan Straits (ARATS), scheduled to be held in Singapore in mid-April.

Hsu said upon arrival that the SEF is authorized by the Mainland Affairs Council with the mission to meet on such topics as cross-strait documentary notarization and guarantees for cross-strait investments. Chiu's mission to Peking is to make pre-conference arrangements.

In a press conference in Taipei last Saturday, Chiu revealed his itinerary in Peking as follows: On April 7, visits to the ARATS and Red Cross Society of Mainland China and attending a dinner party given by the ARATS; April 8, paying respect at Dr. Sun Yat-sen's monument and attending the first round of consultations; April 9, attending the second and third round of consultations and possible visit to the Great Wall; April 10, attending the fourth round of consultations in the morning and the conclusion in the afternoon, and hosting a dinner party for all attendants.

The SEF delegation is scheduled to return to Taipei on April 11 and will provide a report on its trip to the Mainland Affairs Council at the earliest possible date, Chiu added.

The Mainland Affairs Council has instructed that the SEF submit a report to the council within three days upon returning. The council will then report to the public and the legislature.

During Chiu's four-day stay in Peking, he will meet only with personnel of the ARATS and Mainland China's Red Cross Society. Hsu Hui-yu said that he would clarify

the position to his mainland counterpart that even informal encounters with ranking mainland officials should be avoided.

Chiu To Suggest Meeting Topics

OW0504082593 Taipei CNA in English 0811 GMT
5 Apr 93

[Text] Taipei, April 5 (CNA)—During his April 7-10 consultations in Peking [Beijing], Straits Exchange Foundation (SEF) Secretary-General Cheyne Chiu will propose topics suggested by the Mainland Affairs Council to be discussed at the Koo-Wang meeting to SEF's mainland counterpart.

At a press conference last Saturday [3 April], Huang Kun-hui, chairman of the Mainland Affairs Council, said that his council outlined four categories of topics in a letter authorizing the SEF to engage in the cross-Straits dialogue, though the agenda will be finalized after further discussion with mainland's Association for Relations Across the Taiwan Straits (ARATS).

The propose four discussion topics are—SEF ARATS coordination, cooperative measures to fight crime, guarantees for cross-Straits economic activity, and cultural and technological exchanges.

Huang said that the ARATS will also submit its own proposals for the agenda. The SEF will stick to the principle of avoiding any discussion touching on the political sphere.

He stressed that the meeting between SEF Chairman C.F. Koo and ARATS Chairman Wang Daohan is being arranged only for the purpose of reaching consensus on assorted operational and technical problems. No formal agreement may be signed.

Upcoming Trip Discussed

OW0504085493 Taipei CNA in English 0814 GMT
5 Apr 93

[Text] Taipei, April 5 (CNA)—Straits Exchange Foundation (SEF) Secretary-General Cheyne Chiu said Saturday that he expected that the SEF and its mainland counterpart the Association for Relations Across the Taiwan Straits will reach agreement on setting up a suitable communication channel.

Speaking about his expectations on the April 7-11 trip to Peking, Chiu said that he also hoped the two organizations could work out measures to guarantee Taiwan business investments on the China mainland.

However, he added, consensus can only be reached with the willingness of both parties.

Even if consensus can not be reached during this round of negotiations, Chiu said, the problems will still need to be solved eventually.

Exiled Dissident Returns; Arrested for Bombing

OW0504083093 Taipei CNA in English 0754 GMT
5 Apr 93

[Text] Taipei, April 5 (CNA)—An exiled dissident was arrested upon his return to Taiwan Sunday [4 April] for his alleged role in a 1978 parcel bomb case which injured then Taiwan Governor Hsieh Tung-min, but was later released on bail.

Lin Chen-chang, brother-in-law of the World United Formosans for Independence (WUFI) Chairman Chang Tsan-hung who was accused of masterminding the bombing case, came back after a 26-year exile in the United States.

Immediately after arrival at Chiang Kai-shek [CKS] International Airport, Lin was arrested by airport police and sent to the Taiwan High Court Prosecutor's Office for questioning.

Lin was accused of introducing Chang Tsan-hung to Wang Hsin-nan, who was found guilty of sending parcel bombs to Gov. Hsieh. Wang was released last year after completing a seven-year jail term.

Lin told prosecutors he was not involved in the bombing and denied any wrongdoing by introducing George Chang to Wang. He was released on NT [New Taiwan] \$100,000 bail.

Lin said he has no plans to settle in Taiwan. "I'm back mainly to see my 89-year-old ailing mother," he said. Several opposition leaders greeted him at CKS Airport.

In related news, another exiled dissident Chen Nan-tien also returned to Taiwan over the weekend.

Chen, former WUFI vice chairman, came back from Japan in the company of Hsu Shih-kai, a senior staff member in WUFI's Japan chapter.

Chen, used to be a persona non grata for the ROC Government because of his Taiwan independence stance, was removed from the "black list" and received permission for return earlier this year after staying abroad for 31 years.

As part of the government's democratic reforms, many exiled Taiwan independence activists have been allowed to return in the past few years.

KMT Outlines Constitutional Reform Priorities

OW0504094893 Taipei CNA in English 0827 GMT
5 Apr 93

[Text] Taipei, April 5 (CNA)—The third stage of constitutional reform will begin next year, a Kuomintang task force said over the weekend.

The task force, formed to study major topics to be discussed in extraordinary sessions of the National

Assembly [NA], met Saturday [3 April] to set priority constitutional reform issues to be pondered during future NA sessions.

A spokesman for the task force reported that the assembly will hold a special session next year to resolve several critical reform issues, including the method for electing the nation's president, the status of the National Assembly, tenure of legislators, tenure of presidents of the Executive Yuan, judicial yuan and examination yuan, and the scope of the premier's right to confirm presidential policies.

The spokesman said the KMT [Kuomintang] hopes to accomplish constitutional amendments in the aforementioned areas during next year's session. The ruling party will soon call a meeting of KMT NA members with political and legal backgrounds to discuss the reform issues, he added.

The National Assembly will open a third extraordinary session Friday to confirm the nominations to several government posts, including president and vice president of the Examination Yuan [as received], vice president of the Judicial Yuan and four additional members of the watchdog Control Yuan.

During Saturday's meeting, the KMT panel also discussed a proposal initiated by the opposition Democratic Progressive Party that President Li Teng-hui deliver a "state-of-the-nation" address with focus on mainland and foreign affairs in the upcoming NA session (April 9-28).

Most panelists said President Li need not do so because he already delivered such an address to the NA three months ago.

Presidential office officials said over the weekend that President Li will attend and address the opening ceremony for the third NA extraordinary session, but would not deliver a "state-of-the-nation" report.

Nation Commemorates Late President Chiang Kai-shek

OW0504093493 Taipei CNA in English 0820 GMT
5 Apr 93

[Text] Taipei, April 5 (CNA)—President Li Teng-hui laid a wreath in front of the bronze statue of the late President Chiang Kai-shek at the Chung Cheng Memorial Hall at a ceremony Monday [5 April] morning in commemoration of the death of the late president.

The ceremony was attended by ranking officials of the central government.

At the plaza in front of the Chung Cheng Memorial Hall, more than 1,000 representatives from the central government, the legislature, overseas Chinese communities and people of all walks of life gathered to commemorate the late president who died on April 5, 1975.

Premier Calls for Increase in Public Investments

OW0304083793 Taipei CNA in English 0747 GMT
3 Apr 93

[Text] Taipei, April 3 (CNA)—Premier Lien Chan said Friday [2 April] that the investments from the public sector should increase so as to help prop up economic growth.

Lien made the remarks in response to a legislative interpellation raised by Kao Yu-jen.

Lien said that the nation's economy registered a 6.06 percent growth last year, lower than the projected target of seven percent.

Insufficient public investments should be held responsible for the gloomy performance last year, the premier said.

He added that last year's public investments amounted to NT\$ [New Taiwan dollars] 200 billion (about US\$8 billion), lagging far behind private sector' NT\$600 billion (US\$24 billion).

Lien attributed the limited public investments to difficulties in obtaining land, and improper planning and execution.

Saying the best ratio between public and private investments should be four to six, Lien said that the public sector will increase its investments which would in turn stimulate a growth in private investments.

Ministry: 'Dual Crisis' Confronting Trade System

OW0504094193 Taipei CNA in English 0743 GMT
5 Apr 93

[Text] Taipei, April 5 (CNA)—The Ministry of Economic Affairs is alarmed by a "dual crisis" confronting the nation's external trade system.

The issues concerning the ministry are the over-reliance on Japanese parts and sophisticated industrial expertise, along with the increasing dependence on the vast mainland market, it warned in a recent report.

The ROC [Republic of China]-Japan trade imbalance was registered at US\$12.9 billion last year in favor of Japan, and the volume is projected to further surge to a record high of US\$16 billion in 1993.

Hong Kong customs tallies indicated that indirect trade between Taiwan and the mainland topped US\$7.4 billion in 1992, up 21 percent over the previous year.

Mainland-bound shipments amounted to US\$6.29 billion, a hefty growth of 34 percent over 1991. The trade surplus with the mainland totaled US\$5.18 billion, accounting for as much as 44 percent of Taiwan's current account surplus.

Furthermore, the trend cannot possibly be altered when local enterprises are relocating more plants across the

Taiwan straits in spite of calls to heed the potential investment risks, the ministry added.

The government of the Republic of China [ROC] restricts local investments and trade with the mainland on an indirect basis via a third country, which has largely been Hong Kong. The restrictions have been called a measure designed to prevent Taiwan from becoming "an economic hostage to the mainland," given the political uncertainty across the Taiwan Straits.

As of the first half of 1992, the Chinese communist authorities approved 55,311 Taiwan investment applications worth between US\$1.5 billion-US\$2 billion.

The ministry in the report concluded that local businesses should not "place all their eggs in one basket."

To help diversify Taiwan's overseas market and as part of measures to cool down the ongoing mainland investment craze, the Economics Ministry is pushing ahead private investments in the Philippines, Vietnam, Indonesia and Thailand.

40-Member Delegation To Attend GATT Meeting

OW0304090493 Taipei CNA in English 0755 GMT
3 Apr 93

[Text] Taipei, April 3 (CNA)—A 40-member delegation representing related ministries of the Republic of China [ROC] will attend the April 15-16 discussions in the Geneva headquarters of the General Agreement on Tariffs and Trade (GATT) on the ROC's application for membership in the international organization.

The delegation will be composed of representatives of the ministries of economics affairs, finance, transportation and communications, justice, interior affairs, and foreign affairs.

Vice Economics Minister Sheu Ke-sheng, who will head the ROC delegation, said Friday that the GATT working committee on ROC's admission will discuss the ROC's trade status quo and qualifications as a GATT candidate on the April 15-16 discussions.

The ROC submitted a memorandum to GATT under the name of Taiwan, Penghi, Kinmen and Matsu tariff zone last September and was admitted as an observer. The 27 GATT member states raised 480 questions regarding the ROC's trade structure, which were accordingly replied.

The delegates to Geneva will provide answers to spontaneous questions by the working committees, Sheu said.

He stressed that the April meeting is vital to the ROC's application for GATT membership because it is the first question and answer session of the committee.

In the meantime, the United States has informally contacted the ROC government, hoping to conduct a bilateral negotiation on tariff concession during the two-day Geneva meeting. Sheu said that he expected that other member states may express the same wish. Whether such

negotiations can be arranged will depend upon the outcome of the question and answer session, he added.

Marked Surge in Imports, Exports Reported in Mar

OW0504085693 Taipei CNA in English 0816 GMT
5 Apr 93

[Text] Taipei, April 5 (CNA)—The Republic of China [ROC]'s export as well as import figures in March increased considerably in March, both registering a monthly record, according to statistics compiled by the Ministry of Finance.

An initial estimate of the Finance Ministry shows that exports in March totaled US\$7.5 billion and the value of imports amounted to US\$7 billion.

A depreciation of the New Taiwan [NT] dollar and a gradual international economic recovery have contributed to the growth of the nation's foreign trade, an economic official said.

He predicted that export competitiveness, spurred by the depreciation of the NT, will enable the nation to attain a monthly export volume amounting to US\$8 billion in the second half of this year.

National Currency Seen as Weak on World Markets

OW0504091993 Taipei CNA in English 0737 GMT
5 Apr 93

[Text] Taipei, April 5 (CNA)—The New Taiwan [NT] dollar emerged as one of the world's weakest currencies in March, with its value against the US currency shrinking 0.7 percent from February, next only to the Italian Lira, the Council for Economic Planning and Development (CEPD) said Sunday.

Council tallies show that the exchange rate between the NT dollar and the greenback averaged 26.03:1 last month, representing a respective decline of 0.7 percent and 2.4 percent from a month and a year before.

The rate stood at 25.45:1 and 25.85:1 in January and February separately.

Compared with a year ago, the NT dollar slipped 3.27 percent against the Deutsche mark and dipped 13.96 percent against the Japanese yen, a sign that the devaluation has been widening.

In 1992, the national currency rose 6.6 percent against the US dollar to an average 25.16:1, topping the list of the world's strong currencies.

All this shows the declining trend of the NT dollar since the beginning of this year, CEPD officials noted, adding that gone are the days when the NT dollar showed off its superstrength.

Of other major currencies, the lira plunged 2.9 percent against the greenback last month as compared with

February. Other weak major currencies included the French franc and the Deutsche mark, which fell 0.6 percent and 0.3 percent respectively.

In the same period, the Australian dollar, the yen, the British pound, the Canadian dollar, and the Korean won gained against the US currency, rising 3.8 percent, 3.4 percent, 1.6 percent, 1 percent, and 0.4 percent separately.

The officials forecast that the substantial depreciation of the NT dollar will boost the competitiveness of Taiwan products. The latest developments in the currency market augur well for exports, they stressed.

A lower NT dollar will make exports cheaper and imports more expensive, thereby giving a helping hand to sell more domestic goods abroad.

Hong Kong

Officials Meet Hong Kong Affairs Advisers

Li Peng Fetes Advisers

OW0204134093 Beijing XINHUA Domestic Service in Chinese 1242 GMT 2 Apr 93

[By reporter Feng Xiuju (7458 4423 5468)]

[Text] Beijing, 2 Apr (XINHUA)—Li Peng, premier of the State Council, hosted a dinner at the Great Hall of the People this evening in honor of Hong Kong affairs advisers.

Li Peng made an impromptu speech at the dinner. He said: "Vice Premiers Zhu Rongji, Zou Jiahua, Qian Qichen, and Li Lanqing, and I are happy to join you today in this gathering. I am especially happy about the fact that the line-up of Hong Kong affairs advisers has now grown stronger. I would like to extend my heartfelt appreciation to the first group of Hong Kong affairs advisers for their contributions in the past year to the prosperity and stability of Hong Kong. I would also like to warmly congratulate the second group of Hong Kong affairs advisers."

Li Peng said: Following the successful convocation of the First Session of the Eighth National People's Congress and the Eighth National Committee of Chinese People's Political Consultative Conference, the whole nation is taking advantage of the favorable conditions at home and abroad to make even bigger strides in reform and opening up.

He said: The Hong Kong issue is a matter of common concern to us. Here I would like to reiterate that the Chinese government will not change its policy on Hong Kong. China will continue to abide by the Sino-British Joint Declaration and the Basic Law on Hong Kong and will, as always, implement other relevant understandings and agreements on the transitional period reached between China and Britain. The only objective is to guarantee the stable transition and the smooth transfer of power in Hong Kong so as to maintain Hong Kong's long-term prosperity and stability.

He added: The problem now is that the British side closed the door of negotiation, which resulted in the current situation. It depends on the British side to change the current situation. We have made it clear on many occasions that the two sides should cooperate, not confront one another.

Jiang: Preparatory Work 'Urgent'

OW0204132693 Beijing XINHUA in English 1312 GMT 2 Apr 93

[Text] Beijing, April 2 (XINHUA)—Chinese President Jiang Zemin said here today that no matter what happens China will unswervingly carry out the conception of 'one country, two systems.'

"We believe that this goal will surely be attained," Jiang told a group of Hong Kong affairs advisers at the Great Hall of the People.

Jiang, also general secretary of the Chinese Communist Party Central Committee, said it is only four years or more before Hong Kong returns to the motherland.

"It is urgent that so much preparatory work should be done in such a short time," he added.

Jiang noted that the National People's Congress (NPC) has empowered its Standing Committee to establish a preliminary work organ for the preparatory committee of the first government of the Hong Kong Special Administrative Region.

This aims at making full preparations for the smooth transition of power in Hong Kong, he said.

Jiang expressed the hope that the Hong Kong affairs advisers will offer more and better suggestions in this regard, urging them to make concerted efforts so as to realize the stable transition and smooth transfer of the power and guarantee stability and prosperity in Hong Kong.

Among those present at the meeting were Chinese premier Li Peng and Vice-Premiers Zhu Rongji, Zou Jiahua, Qian Qichen and Li Lanqing.

Lu Ping Meets Group

OW0204135893 Beijing XINHUA in English 1348 GMT 2 Apr 93

[Text] Beijing, April 2 (XINHUA)—The second batch of Hong Kong affairs advisers engaged by the Hong Kong and Macao Affairs Office of the State Council and the Hong Kong bureau of XINHUA NEWS AGENCY received their certificates here today.

Zhou Nan, head of the Hong Kong bureau of XINHUA NEWS AGENCY, granted the certificates to the 49 advisers at the Great Hall of the People.

So far, there are 92 Hong Kong affairs advisers.

In his speech, Lu Ping, director of the Hong Kong and Macao Affairs Office, thanked the first batch of advisers for their valuable opinions and suggestions in the past year.

He said the practice of engaging Hong Kong affairs advisers has proven successful, adding that more advisers will be engaged.

The director criticized Hong Kong Governor Patten's gazetting of his political package. He said this has shown that the British side not only lacks sincerity towards Chinese-British negotiation but deliberately undermines it.

He said it is the common responsibility of the two sides to realize the smooth transition. He said China hopes for cooperation, not confrontation.

Says UK 'Lacks Sincerity'

OW0204144793 Beijing XINHUA Domestic Service in Chinese 1306 GMT 2 Apr 93

[By XINHUA reporter Duanmu Laidi (4551 2606 0171 1229)]

[Excerpts] Beijing, 2 Apr (XINHUA)—A Ceremony to confer certificates on the second batch of Hong Kong affairs advisers was held at the Great Hall of the People today.

Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, spoke at the meeting. [passage omitted]

Lu Ping stressed: Not long ago, in disregard of the general interest of Sino-British relations and the interests of the millions of compatriots in Hong Kong, Chris Patten flagrantly gazetted his political package at the last moment of negotiations and preparations for Sino-British talks on Hong Kong's political system. This shows that the British side not only lacks sincerity toward Sino-British talks but deliberately undermines it. He said: It is the common responsibility of the two sides to realize a stable transition and smooth transfer of power on the basis of the Sino-British Joint Declaration, convergence with the Basic Law, and the understandings and agreements already reached between the governments of the two countries. We wish to see cooperation, not confrontation.

Lu Ping said in conclusion: The day—1 July 1997—when China resumes the exercise of sovereignty over Hong Kong is drawing closer. Time waits for no man. We have heavy responsibilities on our shoulders. It is hoped that Hong Kong affairs advisers will offer ideas and suggestions, and play an important role.

Forty-nine members were engaged by the Hong Kong and Macao Affairs Office of the State Council and the Hong Kong Branch of XINHUA News Agency as the second batch of Hong Kong affairs advisers. Zhou Nan, head of the Hong Kong Branch of XINHUA News Agency, granted certificates to them.

More on Lu Ping Remarks

OW0204192393 Beijing XINHUA Domestic Service in Chinese 1314 GMT 2 Apr 93

[By reporter Duanmu Laidi (4551 2606 0171 1229)]

[Text] Beijing, 2 Apr (XINHUA)—This morning, Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, and Zhou Nan, head of the Hong Kong bureau of XINHUA NEWS AGENCY, held discussions with the Hong Kong affairs advisers who are

in Beijing to attend the ceremony to issue certificates to the second batch of Hong Kong affairs advisers.

Twenty-nine advisers participated in discussions in two groups. They offered their views and advanced many constructive opinions and suggestions that mainly focused on matters including the establishment of a preparatory work organ for the preparatory committee of the Hong Kong Special Administrative Region [SAR], the Sino-British talks on the issue of Hong Kong's political system, the building of new airport, and on Hong Kong public servants.

Following the remarks by the Hong Kong affairs advisers, Lu Ping and Zhou Nan, respectively, spoke at the meeting. Lu Ping said that our door is always open for Sino-British talks on Hong Kong's political structure. We always stand for solving problems through negotiation. The saying that Hong Kong officials' participation in talks as advisers and experts would weaken Hong Kong's position simply has no basis. That is merely an excuse for undermining the negotiations. The Chinese side will be represented by a representative during talks. Those from the Hong Kong and Macao Affairs Office of the State Council and from the Hong Kong branch of the XINHUA NEWS AGENCY will participate in negotiations as experts and advisers. Who can say that this will weaken the position of the Hong Kong and Macao Affairs Office of the State Council and the Hong Kong branch of the XINHUA NEWS AGENCY? If the British side obstinately submits the political reform proposal to the Legislative Council, it will not only close and seal the door of negotiations but also will throw the door key into the sea. It would be better if Chris Patten did not cherish the illusion of submitting his political reform proposal to the Legislative Council and then hold negotiations with the Chinese side.

On the issue of the new Hong Kong airport, Lu Ping said that the Chinese and British sides have already signed a memorandum of understanding. As long as the British side truly abides by the memorandum of understanding, we will support the building of a new airport in Hong Kong. The problem as it stands is that the British authorities in Hong Kong have raised new obstacles, failed to act according to the memorandum of understanding, and greatly increased the construction costs, which will make the SAR government's debt burden much greater than that reached in the memorandum. The costs of the new airport construction have become a "bottomless pit." We are responsible to the future SAR government.

Zhou Nan said that most of the advisers who attended today's discussion approved of the decision on establishing a preparatory work organ for the SAR preparatory committee that was adopted at the First Session of the Eighth National People's Congress. They also advanced many valuable opinions on how to implement this decision. We will earnestly study and give their opinions close consideration. Our sole motive of setting up this

organ is to ensure the smooth transition of Hong Kong and to maintain Hong Kong's long-term prosperity and stability.

Also attending this morning's discussions were Chen Ziyang and Wang Qiren, deputy directors of the Hong Kong and Macao Affairs Office of the State Council; and Qin Wenjun, deputy director of the Hong Kong branch of XINHUA NEWS AGENCY.

Lu Ping Continues Talks

OW0404143893 Beijing XINHUA Domestic Service in Chinese 1540 GMT 3 Apr 93

[Text] Beijing, 3 Apr (XINHUA)—Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, and Zhou Nan, director of the Hong Kong Branch of XINHUA NEWS AGENCY, today continued discussions with new and old advisers on Hong Kong affairs who came to Beijing to attend a ceremony to issue a letter of appointment for the second batch of Hong Kong affairs advisers.

The advisers spoke out freely on issues of establishing a preliminary work organ for the Preparatory Committee of the Hong Kong Special Administrative Region, and on issues related to Sino-British negotiations on a political system for Hong Kong, construction of the new airport, Hong Kong government service, and the publicity and popularization of the Hong Kong Basic Law. They took the floor enthusiastically, and set forth many constructive comments and suggestions.

The ceremony and other relevant activities have successfully concluded. During these two days, 79 advisers in all participated in discussions. Chen Ziyang and Wang Qiren, deputy directors of the Hong Kong and Macao Affairs Office of the State Council, and Qin Wenjun, deputy director of the Hong Kong Branch of XINHUA NEWS AGENCY, also heard comments and suggestions from the advisers.

Comments and suggestions set forth by the advisers regarding the preparations organ for the preparatory committee of the Hong Kong Special Administrative Region will be passed on to the Standing Committee of the Eighth National People's Congress for its reference in establishing such an organ.

The advisers will return to Hong Kong on 4 April.

Advisers Urge Minimal Economic 'Damage'

HK0304035893 Hong Kong SOUTH CHINA MORNING POST in English 3 Apr 93 p 1

[Report by Chris Yeung in Beijing and Fanny Wong]

[Text] Leading Hong Kong businessmen yesterday urged Chinese leaders to help release the brakes on the vast infrastructure projects, including the new Chek Lap Kok airport, planned for the territory.

The businessmen among the Beijing-appointed Hong Kong Affairs Advisers issued a joint plea that Beijing take steps to minimize damage to the territory's economy, caused by the lingering Sino-British political row.

They urged senior mainland officials, including Mr Lu Ping, the director of the State Council's Hong Kong and Macao Affairs Office, and Mr Zhou Nan, chief of the Hong Kong New China News Agency, to separate economics from politics.

While stressing the need for cooperation between the two sides on Hong Kong's transitional matters, they pointed out that China's support for major projects, particularly the airport, would help maintain the dynamism of the territory's economy.

The plea for "business as usual" came in unison from an impressive array of Hong Kong's corporate tycoons, including Mr Li Ka-shing of Cheung Kong, Mr Cheng Yu-tung of New World, Mr Lee Shau-kee of Henderson Land Development, Mr Edgar Cheng Wai-kin, the late Sir Yue-kong Pao's son-in-law who runs World Wide Investments, and Mr Hari Harilela, the prominent Indian businessman.

After the 49 newly-appointed advisers received their credentials at a ceremony in the Great Hall of the People, they were photographed with the Prime Minister, Mr Li Peng, and the President, Mr Jiang Zemin, and a host of other top officials.

"We're counting on you for your opinions and good advice," Mr Jiang told the advisers at a dinner in their honour, also held in the Great Hall.

The effect of political issues on Hong Kong's economic prosperity dominated the first two of six sessions 80 advisers who have gathered in Beijing had with mainland officials.

Mr Li Ka-shing said: "I may not be correct, but I do believe that Hong Kong people are hoping that China and Britain could sit down and talk.

"(The economy) has been affected to a certain extent. I hope that Hong Kong will not have too many fluctuations."

Mr Li also said the controversy over the Container Terminal 9 should be resolved through the Joint Liaison Group (JLG), which he said should resume talks.

Mr Cheng Yu-tung urged Beijing to support the new airport plan.

A dispatch from the China News Service last night quoted Mr Lu as saying that if the British side strictly abided by the Memorandum of Understanding on the airport, China would support its construction.

Progress on many aspects of the airport plan has come to a standstill because China will not support the financing

package drawn up by the Government. Its objections lie mostly in loan arrangements for the rail link.

In Hong Kong, Government sources said the British side might consider drawing up yet another financing plan for funding the Provisional Airport Authority (PAA) and the Mass Transit Railway Corporation (MTRC) to get an early agreement with China.

The second package proposed by the British side last summer envisaged re-investing into the corporations the \$40 billion land premiums generated by property development along the airport railway to help reduce their debts and eliminate the need for a large amount of stand-by cash.

Of the \$40 billion, half of it is to be channelled to the Special Administrative Region (SAR) Land Fund as stipulated in Annex 3 of the Joint Declaration.

While proposing the British side inject more cash into the corporations to reduce the level of debts, China's main objection against the second package is the request to draw the \$20 billion out of the Land Fund to finance the projects.

However, sources said that in thinking up a third alternative to finance the airport and its associated railway link, the Government would not rule out the possibility of dropping the requirement for investing in the SAR Land Fund.

"I would not rule out something along that line (dropping the Land Fund requirement)," said a source although reiterating that the second package put to Beijing was financially viable.

However, the source also stressed that the Government would be reluctant to try out any third financing plan if it was not likely to succeed.

The lack of agreement with the Chinese side on the financing of the airport plan to date is creating funding problems for the projects.

The next big issue would be the funding for keeping PAA headquarters running and the source said the amount the Government was seeking from the Legislative Council Finance Committee had to be realistic.

Favor Reopening Talks

*HK0504020793 Hong Kong TA KUNG PAO in Chinese
4 Apr 93 p 2*

[Report by reporter Li Kuo-chung (2621 0948 1813): "Hong Kong Affairs Advisers Tell Beijing That They Wish To See a Resumption of Sino-British Talks"]

[Text] Beijing, 3 Apr (TA KUNG PAO)—Lu Ping, director of the Hong Kong and Macao Affairs Office, and Zhou Nan, XINHUA Hong Kong director, continued to meet the remaining 51 Hong Kong affairs advisers. When talking about the establishment of the Preliminary Work Organ for the Preparatory Committee

of the Special Administrative Region [SAR], some of the advisers hoped that the work organ would have a high degree of transparency in its operation and that it would be a work organ with substantive functions rather than an honorary organization which "distributes some ceremonial posts among selected individuals."

The 51 Hong Kong affairs advisers, divided into four groups, met Lu Ping and Zhou Nan in the morning and the afternoon today, and the topic of conversation largely focused on the "kitchen" and the new airport issues.

Several members of the Democratic Alliance for the Betterment of Hong Kong [DAB] hoped that the Chinese and British Governments could try their best to resume talks. Although the Chinese side had said that the ball was left in the court of the British side, the DAB still vigorously urged the Chinese side to make every effort to resume talks. They also said: Even if the two sides cannot resume talks or reach an agreement, the Chinese side should guarantee that the people's livelihood, public order, and other social issues in Hong Kong will not be affected and that the Land Commission [LC] and the Joint Liaison Group [JLG] will continue to convene meetings, whereas the civil servant issue and contracts or patent rights striding over 1997 must also be handled as a top priority.

These members also said: Even if both sides cannot cooperate with each other on the issue of political system, the Airport Committee must convene meetings as early as possible because the airport project, which is a matter of great urgency, has been delayed for some time. DAB Vice Chairman Tam Yiu-chung said that they wished for the British side to put forward a new financial package as early as possible and wished for the Chinese side to respond to it. The DAB held that the airport must be built in accordance with the Memorandum of the Airport as soon as possible, and that none of the 10 core projects could be scrapped.

Regarding the Preliminary Work Organ for the Preparatory Committee of the SAR, Tam Yiu-chung pointed out: Hong Kong people do not know much about this but simply consider it as a practice of setting up a new kitchen. The Chinese side should help Hong Kong people know more about the work organ. Moreover, a wide spectrum of public opinion on the membership of the work organ and the timing of its establishment organ should be collected, and only after careful consideration can the plan be put into practice. Besides, the work organ must have a high degree of transparency in its operation.

Another Hong Kong Affairs Adviser Cheng Yiu-tong said that he had raised four main points at the meeting: First, even if there is only a slight chance, it is still necessary to strive to hold talks to settle the dispute between both sides, because if no talks can be held, Hong Kong will be in a state of extreme conflict and dispute in the next four years. Second, even when talks cannot be reopened, the Chinese side must not make any strong

reaction or take any fierce moves; otherwise it may make Hong Kong people anxious and fail to seek sympathy from Hong Kong people. He was against using any fierce moves and objected to marching on the street, and he preferred settling the issue through reason and in a rational way. Third, in case both sides finally cannot cooperate with each other, the Chinese side should take Hong Kong people's feelings and interests into account to promote the development of Hong Kong. Cheng Yiu-tong also said: The final point is about the work organ. It should be a work organ with substantive functions rather than an honorary and united-front organization which "distributes some ceremonial posts among selected individuals." Its work is to study problems raised if China and the UK cannot cooperate with each other, such as problems of public order, of the economy, and of people's livelihood, to lessen the shock on society.

Lau Siu-kai said: Under the present circumstances, it is difficult for China and the UK to wholeheartedly cooperate with each other; therefore, it is inevitable to set up a new kitchen. The Chinese side is also well aware that there will be many problems, but the question is how to unite political forces in Hong Kong, to win over the support of the people. It cannot be described as successful if these problems cannot be solved.

Lau Siu-kai also said: The kitchen cannot be the legal power center and cannot interfere in matters within the Hong Kong Government's jurisdiction, and figures accepted by Hong Kong people must be included in the work organ.

Lau Siu-kai also pointed out: The kitchen should not muster all strength to struggle against the Hong Kong Government but should concentrate on handling affairs during the transition period of Hong Kong and, strive to establish cooperative relations with the Hong Kong Government while taking into account the development of Hong Kong and Hong Kong people's livelihood.

Ambrose Lau Hon-chuen said: For the time being, Hong Kong people do not understand much about the content of the Preliminary Work Organ, so the Chinese side should make public the relevant information as soon as possible. Moreover, Hong Kong must be fully consulted and their views considered when the work organ is founded.

Stephen Cheong Kam-chuen suggested that as far as the issue of the "kitchen" was concerned, a number of questions should be carefully considered, such as what are its job responsibilities, what kind of people can join it, and is it possible for more Hong Kong people to join it. Regarding the issue of reopening Sino-British talks, he felt that the chance was not so optimistic, even though everyone was eager for reopening. However, no matter how optimistic or pessimistic it was, he wished for China and the UK to try their best to cooperate with each other.

Lo Tak-shing said that he supported the establishment of the Preliminary Work Organ. Since the Chinese side is more steady now, he hoped that this work could be

accelerated. He said: Issues related to the composition of the work organ, such as whether or not it is necessary to form a number of groups or to have various departments in a way of forming a government, should be carefully considered.

Steven Poon Kwok-lim suggested that if it was necessary to have the "kitchen," the Chinese side should consider the content and membership of the "kitchen." Its content was more complicated, which must depend on the extent of noncooperation, whereas the size of the "kitchen" must be fixed according to the concrete situation. As far as the composition was concerned, he said: A great majority must be Hong Kong people. In particular, those who are trustworthy, who have experience in social services, and who, more important, have experience in public administration, should be included.

David Akers-Jones said: The Chinese side should explain its position more clearly so that Hong Kong people can understand. Since this subject is very complicated, clear explanation is very useful. He emphasized the importance of civil servant's morale and hoped that Chinese leaders would pay attention to this issue and to problems affecting the morale. He held that the political dispute was a problem between the two governments, but something could be considered separately so that concrete work such as the JLG, the LC, the cross-harbor tunnel in the Western District, reclamation in Central, and the airport, could proceed; this could, at least, help boost the morale of the civil servants.

Vincent Lo Hong-sui said: Although most people wish for resumption of Sino-British talks, it seems that the chances are not so good. He suggested that the Chinese side should play an active part in the construction of the airport, such as setting up an organization which resembles a cost-control group, to more frequently utilize and to bring into play the wisdom of Hong Kong people to take part in the work of the transition period. He said: If Patten submits the political reform package to the Legislative Council, this "kitchen" will certainly be built. He believed that many people in Hong Kong would support this "kitchen" because it would enable Hong Kong people to take part in it personally so as to protect their own future.

Hong Kong Affairs Officials Meet Advisers

HK0404071493 Hong Kong WEN WEI PO in Chinese
 4 Apr 93 p 2

[Text] Beijing 3 Apr (WEN WEI PO)—Lu Ping, State Council Hong Kong and Macao Affairs Office director, and Zhou Nan, XINHUA News Agency Hong Kong Branch director, held a two-day discussion meeting with 80 Hong Kong affairs advisers of the first and second batches over the past two days. With a sense of responsibility, the advisers have earnestly offered many views and valuable suggestions on how to ensure a stable transition and long-term prosperity and stability, including the resolution adopted by the National People's Congress [NPC] on setting up a preliminary work

organ for the preparatory committee of the Hong Kong Special Administrative Region [SAR]. Zhou Nan stated that he was happy about that. In his concluding speech, he emphasized that the advisers' suggestions were of great referential value, and that they would be sorted out and submitted to the central authorities.

The first and second batches of Hong Kong affairs advisers had been invited to come to Beijing to attend a meeting with Lu Ping and Zhou Nan to discuss Hong Kong's present situation, with emphasis on the establishment of the preliminary work organ for the preparatory committee of the Hong Kong SAR, Sino-British talks, the effects of the worsening Sino-British relations on Hong Kong's economy, building of the new airport, and Hong Kong civil servants. The 80 Hong Kong affairs advisers were divided into six groups, and discussions with Lu Ping and Zhou Nan were held yesterday morning and this morning and afternoon.

When asked by reporters to summarize the results of the two-day meetings, Director Zhou Nan stated: "With a very strong sense of responsibility, the Hong Kong affairs advisers have made many valuable suggestions on how to ensure a smooth transition and maintain prosperity and stability in the next four years and even in the longer term." He added: "In the course of discussions, they have also touched upon the resolution adopted by the NPC on setting up a preliminary work organ for the preparatory committee of the Hong Kong SAR, and made many good suggestions."

Zhou Nan stated that those suggestions were of great referential value; the Hong Kong and Macao Affairs Office and XINHUA News Agency Hong Kong Branch would earnestly sort out, study, and include them in a report to be submitted to the central authorities to make a decision. The advisers' opinions and suggestions on the preliminary work organ for the preparatory committee of the Hong Kong SAR would be relayed to the Eighth NPC Standing Committee for reference of its members in setting up the organ in question.

A dinner was held in the Hong Kong affairs advisers' honor at the Hong Kong and Macao Center when the discussions concluded. The Hong Kong affairs advisers are scheduled to leave Beijing for Hong Kong tomorrow morning.

Editorial Views 'Important' Role of Advisers

*HK0504064893 Hong Kong WEN WEI PO in Chinese
5 Apr 93 p 2*

[Editorial: "Suggestions Offered by Hong Kong Affairs Advisers Conducive to Smooth Transition"]

[Text] The two batches of Hong Kong affairs advisers gathered in Beijing on 2 and 3 April to offer a great deal of positive and constructive suggestions to the Chinese side on major issues during the latter period of the transition and to express the voice of the Hong Kong people. This will be of great reference to the Chinese

Government in formulating specific policies and adopting corresponding measures to ensure Hong Kong's smooth transition. Meanwhile, the two batches of Hong Kong affairs advisers had direct contacts with the Chinese Government and relevant departments. The establishment of the ties of dialogue and consultation will help enhance Hong Kong people's confidence in Hong Kong's future.

As only a little more than four years are left for the return of Hong Kong to the motherland, a great deal of work remains to be done to effect a smooth transition. The work will be more arduous and strenuous particularly at the time when Britain has changed its Hong Kong policy and adopted a no-cooperation attitude toward China. To do preparatory work for a smooth transition, it is necessary to pool the wisdom and efforts of everyone. In this regard, the Hong Kong affairs advisers are playing the important role of maintaining contacts with the people from all walks of life and making the situation at the lower levels known to the higher authorities. The two batches of Hong Kong affairs advisers have done their utmost to vigorously offer suggestions to the Chinese side.

Viewed from the suggestions made by the Hong Kong affairs advisers, they are most concerned about the Sino-British row over Hong Kong's political system. They hope that the two sides can break the deadlock, carry out talks, and resume the relations of cooperation. This is fully understandable. Hong Kong people all know that to effect a smooth transition in 1997, the best method is to strengthen cooperation between China and Britain to ensure convergence with the Basic Law of the development of all fields in Hong Kong before 1997 and to attain a smooth transfer of government. However, the Hong Kong affairs advisers have also soberly realized that there is slender hope for the two sides to hold talks on Hong Kong's political system, as the British side has repeatedly undermined the foundation of Sino-British cooperation and disrupted the talks which could be held soon. If the British side does not cooperate, Hong Kong people and the Chinese side cannot trust their luck. Most of the Hong Kong affairs advisers hoped that the Chinese side would do practical, preparatory work as quickly as possible for a smooth transition while striving to resume talks with the British side. For this reason, the establishment of the preliminary work organ for the Preparatory Committee of the Special Administrative Region [SAR] has become the focus of their attention. They made many suggestions on the issue which commanded serious consideration by the Chinese side.

Some Hong Kong affairs advisers said that the preliminary work organ should be a specific and practical work organ rather than a consultative or honorary one. This is reasonable because the organ should start with the specific preparatory work for a smooth transition. This is an essential difference from the role of Hong Kong affairs advisers. Hence, the organ should select more figures from various circles who are competent and who have rich experience and professional knowledge.

Some Hong Kong affairs advisers expressed the worries of a number of Hong Kong people over the preliminary work organ, mainly because they do not clearly know the actual functions and operation of the work organ. While setting up this preliminary work organ, the Chinese side will try as much as possible to explain the functions and nature of the organ and will encourage more Hong Kong people to participate in the work so as to increase transparency of the structure and operation of the organ. When Hong Kong people have seen that the organ is carrying out work to effect a smooth transition in light of the Basic Law, they will naturally have fewer misgivings.

The suggestions made by Hong Kong affairs advisers in Beijing are extensive. Apart from their concern for the political system, they also hoped that the Chinese side would join Hong Kong people in doing well preparatory work in the fields of economy, society, and public servants to ensure a comprehensive attainment of a smooth transition. Meanwhile, they also reminded the Chinese side to take note of the turbulent popular feeling resulting from the lack of cooperation from the British side and to try to reassure the public. They hoped that the Chinese side would continue to make efforts and show more concern for questions on people's livelihood and social stability, which include the supply of Dong Jiang water, social order, and remuneration of public servants and encouraging them to stay after 1997. They also hoped that the Chinese side would enable investors to understand and firmly believe that their interests will be protected after 1997 so as to attract more investors and maintain Hong Kong's status as an international economic center.

The starting point of the suggestions made by Hong Kong affairs advisers is to attain Hong Kong's smooth transition and maintain Hong Kong's stability and prosperity. This is also the common aspiration of the Hong Kong people. Everybody feels the same about this. We believe that the Chinese Government and relevant departments will value the suggestions made by Hong Kong affairs advisers. Many of the suggestions that can be adopted will be embodied in the relevant policies and measures.

Deng Views 'Early Recovery' of Hong Kong

HK0204131093 Hong Kong CHENG MING in Chinese No 186, 1 Apr 93 pp 7-8

["Notes on a Northern Journey" by staff reporter Lo Ping (5012 0393): "Deng Xiaoping on Recovering Hong Kong Ahead of Schedule"]

[Text]Deng Xiaoping Speaks on "the Hong Kong Situation is Deteriorating"

"Recover Hong Kong ahead of schedule!" The Hong Kong people have repeatedly heard remarks like that. By "remarks like that," we mean that the information coming from Zhongnanhai is not so clear. In fact, what Jiang Zemin said was "a deliberately digressive remark [qu yu 2575 6133]"—the policy of "one country, two systems"

will be implemented in Hong Kong ahead of schedule. Everybody knows that this remark could mean "recovering Hong Kong ahead of schedule." When hearing the remark for the first time, the Hong Kong people were perplexed and alarmed. Just as the "stimulate-the-ordinary [ping fan 1627 0416]" law in psychology goes, the effect of irritating remarks on the nervous system will become diluted if they are heard frequently. Did not the leaders in Zhongnanhai play the card too early?

Recently, when the struggle between China and Britain intensified, Zhongnanhai again spread such a remark. However, this time, the man who played the card was the more authoritative, well-known bridge player—Deng Xiaoping alongside the General Secretary.

On 12 March, namely, the day following Hong Kong Governor Chris Patten's announcement of the gazetting of his constitutional reform package, Jiang Zemin, Li Peng, Qiao Shi, Liu Huaqing, Lu Ping, and Zhou Nan went to Zhongnanhai to report the developments in the Hong Kong situation (Yang Shangkun, Wan Li, Bo Yibo, Wan Jiabao, and others were also present at the meeting). After hearing the report, Deng Xiaoping delivered a speech. On the evening of 14 March, the General Office of the CPC Central Committee distributed the gist of Deng Xiaoping's speech in the form of document entitled "The Gist of Important Speeches by Central Leaders on the Deteriorating Hong Kong Situation" to the various ministries, commissions, and offices under the central government and heads and deputy heads of all delegations of deputies to the National People's Congress [NPC]. Apart from Deng Xiaoping's speech, the speeches by Jiang Zemin, Yang Shangkun, and others were also carried in the document.

Preparations for the Recovery of Hong Kong Have Been Speeded Up

Deng Xiaoping said: It is clear that Britain is challenging and confronting us. This is unavoidable. It is Britain's China policy and strategy. They want to see if we will recover Hong Kong ahead of schedule and how we will act in the face of the current political and economic situation. They are taking a political gamble and using the interests of the 6 million Hong Kong people as the stakes. In the past, we sought no illusion and were prepared. Of course, we expected cooperation and a smooth transition. According to our plan, we can make preparations a bit faster. These include the concrete and decisive measures and principles we will adopt once the British deliberately sabotage the Sino-British Joint Declaration, the implementation in Hong Kong of the policy of "one country, two systems" and of Hong Kong people ruling Hong Kong, and all work to be done using the Basic Law as the guide. Preparatory work has already been started. Nevertheless, the timetable should be moved up. What Britain is attempting is no more than the following two things: One is to turn Hong Kong into a political entity under British control, which will be run by its agents, that is, the so-called exchange of sovereignty with administration power, and the other is to

leave a shambles and make things difficult for us. Neither of the two will work. In terms of the British strategy, this struggle or this trial of strength is unavoidable.

What Deng Xiaoping said is very clear: The CPC should accelerate the preparations for an early recovery of Hong Kong and the previously set timetable should be moved up. When will this step be taken? Deng did not mention it explicitly. The premise of the so-called "deliberate British sabotage of the Sino-British Joint Declaration" is very ambiguous and elastic. In the smug calculations of the CPC, this is called having the initiative in our hands but, in fact, it means arbitrariness. Some authoritative persons in Beijing said: There is an intimidating element in Deng's speech. If we say that we can start "liberating" Hong Kong from the rule of the colonialists because Britain has undermined the Joint Declaration, then why should we not dispatch troops southward right now? (They also made an additional remark: Nevertheless, no battle will be fought.) Some cadres who have made a thorough study of the "theory" of Deng Xiaoping and his likes "with Chinese characteristics" were somewhat worried: There is a possibility of recovering Hong Kong ahead of schedule. The policy decisions made by the CPC policy makers cannot be interpreted using normal logic.

Reason Li Peng Made Last Minute Alterations to His Report to the NPC

After Deng Xiaoping's speech was relayed, the anti-British chorus sung by Li Peng, Lu Ping, Zhou Nan, and others was drastically turned up. The so-called deputies and members increasingly parroted what they had been told. A member of the Chinese People's Political Consultative Conference even suggested agitating 1967-style turmoil in Hong Kong.

Deng Xiaoping's speech was not uninterrupted. As he was speaking, Wan Li, Yang Shangkun, and some others chipped in. Wan Li said: The letters from various circles around the country all endorse and support the government's principled stand toward Britain. Yang Shangkun suggested: We should inform the whole nation about Hong Kong's situation through the government work report, so that the people will have a better idea and will understand more and be prepared if the relations between China and Britain should worsen in the future.

It is said that Deng Xiaoping immediately agreed with Yang Shangkun's suggestion. This led to Li Peng's "last-minute" revision and the additions to some passages and wording on Sino-British relations in his government work report to be delivered to the NPC session.

Lu Ping Had a "Document" To Refer to When Making the Abusive Statement About "Sinner of All Times"

Interestingly enough, the curse that Chris Patten would become the "sinner of all times" flung by Lu Ping on 17 March was not boldly thought up by himself but was

based on a document. The source was the speech delivered by Jiang Zemin after he had listened respectfully to Deng Xiaoping's remarks on 13 March.

Jiang Zemin said: Now that Britain has repeatedly violated the Sino-British Joint Declaration, renounced the agreements and understandings between the two countries, and repeatedly challenged the Basic Law, we must send the British authorities a signal: This is very dangerous. It is extremely dangerous if Britain wants to sabotage the Sino-British Joint Declaration and to probe our principled stand and our ability to rule Hong Kong. To us, just as Comrade Xiaoping put it, it is no big deal. Our Hong Kong policy is set. We do not foresee any big turmoil in Hong Kong. Even if there was some turmoil, it would not last very long anyway. The British Government should be aware that Hong Kong is not the Falkland Islands and China is not a second-class country affiliated to, and at the mercy of, a big nation. If Britain, in effect, voided the Joint Declaration one day, it would not daunt, still less intimidate, China. The worst we have prepared for is to recover it ahead of schedule. Though losses are inevitable, we will do our best to make the most careful preparations possible in all respects and, relying on the people of all circles in Hong Kong and the mainland, heal the wounds made by Britain. Britain will thus become a sinner of all ages in modern history.

Here, Jiang Zemin made it clearer than Deng Xiaoping: China is ready for an early recovery of Hong Kong. What concerns the people of Hong Kong most is: What circumstances will cause the CPC to decide to take Hong Kong back ahead of schedule?

Troops Will Not Be Committed To Solve the Hong Kong Issue Under Normal Circumstances

Jiang Zemin and Li Peng gave some specific explanations:

We do not wish to see Britain moving from violating the Joint Declaration to sabotaging it. If the Joint Declaration was seriously sabotaged, we would handle the matter by our own policy and recover Hong Kong ahead of schedule. There would be no other choice. When Hong Kong is being turned into a political entity and goes semi-independent in a disguised form, or when there is serious political unrest and violence and the British Hong Kong authorities are losing control, we would take special measures.

But what are the "special measures?" What Hong Kong people are worried about is whether or not troops will be committed if, by any chance, Hong Kong is going to be taken back ahead of schedule. Jiang Zemin answered this question at a meeting with military representatives. Reports have it that Guangzhou Military Region and South China Sea Fleet took the lead in asking for battle orders. They suggested that the challenge from Britain and British Hong Kong authorities should be countered. When meeting with military representatives, Jiang Zemin said: Comrade Xiaoping and the central authorities have set the basic tone that smooth transition is

preferred. In the event that Britain seriously sabotages the Sino-British Joint Declaration and contingencies occur in Hong Kong, China will present a note to the British side as to what action it will take through diplomatic channels. No troops will be committed to settle this problem under normal circumstances.

CPC Is Not Eager To Get Results From Talks

Various signs indicate that even if Sino-British relations further deteriorate, the chance of resorting to violence is still very slender. However, the verbal wrangling is bound to continue. There are at least two forms of verbal wrangling: One is the exchange of abusive words and the other is through talks. On 4 March, when meeting with the Hong Kong Chamber of Commerce delegation in Beijing, Li Peng said: "Though the constitutional reform package put forward by the Hong Kong governor has made Sino-British cooperation difficult, the Chinese side still takes into consideration the overall interests of Sino-British relations and believes in the possibility of sitting down and talking between the two sides. But the basis of the talks must be the Sino-British Joint Declaration, the convergence with the Basic Law, and other agreements and understandings reached between the governments of the two countries." When the suggestion for talks was made by this side, the other side immediately expressed willingness to talk on the basis of "three conformities." But, in the end, the people of Hong Kong found themselves rejoicing too soon. It was impossible to settle such problems as China's refusal to accept British Hong Kong Government officials as eligible to participate in the talks, so the prelude to the talks was aborted. A friend of mine who has an intimate knowledge of the relevant inside story on the Chinese side told me: The CPC is not eager to get results from the talks anyway. The proof of it is in Jiang Zemin's remarks.

Proposal Theory on "Separate Kitchen" Made at the End of Last Year

Four days before Hong Kong Governor announced the gazettal of his constitutional reform package on 12 March (i.e. 8 March), Jiang Zemin said at the State Council's meeting on the Hong Kong situation that China had lost its basic trust in the British authorities. Talks or no talks, it would be nothing but diplomatic confrontation.

The interpretation of the General Secretary's remarks by his "audience" was: Even if the talks went ahead, it would just be an endless row with lots of debate. Probably thinking that he had not made it clear, Jiang Zemin added: Even if the two sides sat down and started to talk, it would not necessarily bring positive results. Perhaps the two sides would have more confrontation and cause the Sino-British relations to deteriorate further. The worst thing that could happen is that Britain might abandon the Sino-British Joint Declaration and hand a turbulent Hong Kong back to China. What shall we do? We will not entreat Britain to return to the basis of the

Sino-British Joint Declaration. We have enough time to work by our set principles and policies.

Someone in the know said: One of the so-called set principles and policies is "setting up a separate kitchen," that is, bypassing the British Hong Kong authorities and doing something else according to the CPC's needs and intentions. This is a "creative learning from and application" of Mao Zedong's famous tactic, "you fight the battle your way and we fight the battle our way," at a political level. It is disclosed that the Chinese side drew up a proposal theory on "setting up a separate kitchen" at the end of last year. The Hong Kong Special Administrative Region [SAR], to be founded in 1996 according to the original plan, will probably be materialized earlier. The preliminary work organ for the preparatory committee is now about to be formed.

Five Categories of Members To Make Up the Hong Kong SAR Government

At the 8 March State Council meeting, Wu Xueqian was the speaker after Jiang Zemin. He announced the five categories of members who are to make up the future SAR Government. They are: 1) veteran members of the former British Hong Kong Executive and Legislative Councils; 2) senior public servants of the former British Hong Kong Government; 3) business personalities and professionals; 4) various political organizations (except "anti-China" organizations and their core members); and 5) Hong Kong region NPC deputies and members of the Chinese People's Political Consultative Conference national committee, as well as advisers on Hong Kong affairs.

Lu Ping stressed that the criteria for selecting these members are patriotism, love of Hong Kong, professional knowledge, and the ability to win the support of various circles in Hong Kong. Lu Ping also said: They are allowed to hold right ideologies and special arrangements can be made for a small number of expatriates through negotiations. Of all the "criteria" mentioned by Lu Ping, the most important one is "patriotism," i.e., willingness to listen to the party.

Hong Kong and overseas people can now make a judgment as to who really has no sincere interest in talks after all? Is the CPC going to bring Hong Kong into the realm of democracy and freedom or push it into the living hell of one-party dictatorship?

Hong Kong, what a tragic case! Democracy strangles, how very detestable you are!

Vice Premier Views PRC Ties With Hong Kong, UK

HK0204130093 Hong Kong Television Broadcasts Limited in English 1110 GMT 2 Apr 93

[From "News at 7:10" program: "Vice Premier Li Lanqing On Possible Impact of Patten Reforms on Sino-British Economic Ties"]

[Text] Newly elected Chinese Vice Premier Li Lanqing says that China does not want tense relations with Britain. He also denied that Beijing has ordered Chinese firms not to trade with Jardine Matheson. Here is Diana Lin from Beijing:

[Begin recording] [Lin] With the Sino-British dispute over Hong Kong's political development apparently still in a quagmire, Li Lanqing, newly appointed vice premier and former head of economic relations and trade, told TVB News today that China still wants cooperation and does not want tense relations. But the onus is on Governor Chris Patten.

[Li Lanqing, in Mandarin] The work we have done for Hong Kong's prosperity and stability is obvious to all. We have always been committed to maintaining Hong Kong's prosperity and stability. However, should Mr Chris Patten insist on making trouble, the responsibility would certainly not lie with us.

[Lin] When asked about the repercussions in the event that the political row does affect economic relations, Li Lanqing said that both China and Britain would suffer.

[Li] I believe that the whole world is now interested in the huge China market. I think that Britain should also take account of this.

[Lin] Li Lanqing denied recent press reports that Beijing has decreed that state enterprises should not do business with Jardines.

[Li] We have not issued any such orders. Business is business.

[Lin] Echoing earlier warnings, Li Lanqing added that if there were continued interference in the Sino-British relations, then he cannot rule out possible adverse effects on economic ties. As for the source of interference, it was not clear whether Li was referring to Governor Patten, Jardines, or British firms at large. [end recording]

Article Views Early Transfer of Hong Kong

HK0204152193 Hong Kong HSIN PAO in Chinese 2
Apr 93 p 8

[From the "Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429): "Will Beijing Take Over Hong Kong Ahead of Schedule?"]

[Text] An eye-catching phenomenon of the two-week first sessions (referred to as "two sessions" hereafter) of the Eighth NPC and the Eighth Chinese People's Political Consultative Conference (CPPCC) National Committee, which began in mid-March, was that participants unanimously strongly condemned the British Hong Kong authorities, which was supported by the British Government, for placing obstacles to the smooth transfer of Hong Kong sovereignty and stable transition. Such a perfidious act, they said, created confusion in Hong Kong. The political resolution adopted by the CPPCC on 27 March, in particular, aroused sensitive response. The

resolution deleted two characters "on schedule" in one sentence of the draft resolution which read "the Chinese Government is determined to and capable of exercising sovereignty over Hong Kong." Will this mean that China will take over Hong Kong ahead of schedule? If so, under what conditions? Will China continue to maintain Hong Kong's stability and prosperity if it does so?

Inside Story About the Deletion

According to an informed source in Beijing, it was Ye Xuanping, who was reelected vice chairman of the CPPCC National Committee, who proposed deleting the two characters, and the proposal was endorsed by CPC General Secretary Jiang Zemin and other high-ranking leaders.

When the CPPCC's draft political resolution was under discussion at the enlarged meeting of the leading groups of the two sessions held on 18 March, Ye Xuanping said: "China is to restore its sovereignty over Hong Kong on schedule on the precondition that both China and Britain honor the Joint Declaration and other agreements ensuring the smooth transfer of political power and stable transition. The present situation, however, is that the British Government is inclined to create a confrontation with China and to have its own way disregarding the Joint Declaration and other relevant agreements. Since the British side refuses to keep their promise and is going further and further away, is it obligatory upon us to fulfill our promise unilaterally?"

In response to Ye Xuanping's proposal, Jiang Zemin immediately said that the question was well put. He said: "We can only promise to fulfill the declaration and agreements which the two countries will honor. When the declaration and agreements reached by the two countries are seriously violated or even torn up unilaterally, the declaration and agreements will no longer have a binding force. Supported and engineered by the British Government, the British Hong Kong authorities have repeatedly violated and altered the Joint Declaration. If the situation continues, the Sino-British Joint Declaration will actually be discarded by Britain and will no more be binding on the two countries. To safeguard China's sovereignty and protect Hong Kong compatriots' interests, we have the power to take decisive measures to take over Hong Kong ahead of schedule when necessary. We will then carry out the principle of "one country, two systems," allow Hong Kong people to rule Hong Kong, and act in accordance with the Basic Law."

The report suggests that the deletion of the two characters "on schedule" means the Chinese Government is determined to make preparations for "taking over Hong Kong ahead of schedule" "when it is forced to do so." As far as China's position is concerned, "when it is forced to do so" means that the British Hong Kong authorities have gone further and further along the road of "three violations," thus creating turmoil in Hong Kong and making it entirely impossible to achieve smooth transfer

of Hong Kong's political power on time and with a stable transition. Even if China is forced to take over Hong Kong earlier than specified, it will honor the Basic Law, carrying out the principle of "one country, two systems" and allow Hong Kong people to rule Hong Kong.

The Plan To Set Up A Preparatory Organ Appreciated

The informed source disclosed that taking advantage of the two sessions, the CPC hierarchy had told central and local leaders that China may take over Hong Kong ahead of schedule. On 22 March Jiang Zemin and Qiao Shi (who has been elected chairman of NPC standing committee) told in turn a group of high-ranking party and non-party cadres attending the two sessions: "Since the signing of the Sino-British Joint Declaration, the two countries had established good cooperative relations. What Chris Patten has done since he was appointed Hong Kong governor last year, however, has made us see clearly that the British Government, taking advantage of our need of Hong Kong and the Most Favored Nation status for economic development, are playing economic, international, and even popular will cards. They have thrown down the gauntlet and we have no alternative but to accept the challenge and fight to the finish at all cost. If the British Government continues to instigate the British Hong Kong authorities to go further along the road of "three violations," we will, when necessary, make a prompt decision to take over Hong Kong ahead of schedule according to our policy toward Hong Kong."

According to the brief report issued by the CPC Central Committee General Office, when meeting with leaders of local delegations to the two sessions on 22 and 23 March, Li Ruihuan (who has been elected chairman of the CPPCC National Committee) and Tian Jiyun (who has been elected vice chairman of the NPC standing committee) pointed out clearly: "Based on a detailed analysis and study, the central authorities believed that the possibility for China and Britain to continuously cooperate on the Hong Kong issue has become very slim because the British Government continues to follow the U.S. policy toward China and is trying to meet domestic political demands. Since the British Hong Kong authorities have set up a separate stove, it is imperative for us to set up another stove, too. What matters now is how to take over Hong Kong sovereignty with the least possible unrest and loss. We should also not lose sight of another possibility, that is, China and Britain will completely break off their diplomatic ties. We are not willing to have such consequence, but we do not act as advisers to the British Government. It is nothing serious if the two countries should break off relations. In that case we can only take over Hong Kong ahead of schedule, carry out the concept of "one country, two systems," and let Hong Kong people rule Hong Kong. Therefore, we believe that the proposal for setting up a preliminary work organ for the preparatory committee of the Hong Kong Special Administrative Region (SAR) advanced by the Guangdong delegation is timely and correct (Note: the eighth NPC adopted the proposal on 31 March)."

A provincial-level official attending the NPC said: By informing provincial officials of the matters related to the Hong Kong issue, the central authorities aimed at making them understand the central policy. Though Chris Patten refuses to converge with the Basic Law, China will stick to the principle of "one country, two systems," allowing Hong Kong people to rule Hong Kong. The resolution adopted by the NPC on setting up a preliminary work organ for the preparatory committee of the Hong Kong SAR indicates China's firm determination to restore its sovereignty over Hong Kong and to safeguard the Basic Law.

Deng Xiaoping Reiterated China's Policies Toward Hong Kong

The informed source continued: Deng Xiaoping, who came up with the concept of "one country, two systems," has closely followed the recent development in Hong Kong. Jiang Zemin, Qiao Shi, and Li Ruihuan, on several occasions, conveyed Deng Xiaoping's recent talks on the Sino-British row so that central and local officials would acquire a unified understanding and concerted action.

In late March after reading the brief report on speeches by representatives of various groups of NPC deputies on the Hong Kong issue, Deng Xiaoping said: "We should not unrealistically expect that the British Government will honor the Sino-British Joint Declaration and other relevant agreements. If Britain is ready to hold talks, that is certainly a good thing and we welcome it. But in my view, Britain lacks sincerity. Therefore we must spend several years making preparations so that we can gain the initiative. We must cling to our principles and make no concessions on matters of principle. This is nothing in common with doing business or conducting an exchange of goods. Britain owes a lot to us. We will not ask them to clear off the old debt, but we should not forget it. It Britain is set to make trouble today, they have made a wrong decision and have found a wrong place. How can the Chinese people and Chinese Government make concessions on matters related to sovereignty and internal affairs? We need to pay the price that must be paid. China can afford the price. The British Government may forget who it is challenging, who owns Hong Kong, and how much money it has taken away from Hong Kong." Deng stressed: "We will not allow Britain to change Hong Kong into a certain political entity or into a mess. Britain should clearly understand our consistent stand why we do not promise not to take over Hong Kong ahead of schedule."

A CPC senior official attending the CPPCC session said: As early as February, Deng Xiaoping made special instructions on the Hong Kong issue. Deng Xiaoping said: "The West is trying to change Hong Kong into a political entity over which we cannot exercise control. They are trying to make the Hong Kong issue an international one, thus preventing Taiwan from returning to China. Therefore, we must not make any concessions on the matter of sovereignty. We must compel Patten to

withdraw his political reform package, or we can also withdraw our commitment." Deng Xiaoping reiterated this position and principle recently and told the departments concerned to spend several years making preparations for taking over Hong Kong ahead of schedule when necessary. It is believed that this is CPC's latest and most authoritative instruction on China's policy toward Hong Kong.

Lu Ping Addresses Meeting on Sovereignty

HK0504044593 Hong Kong WEN WEI PO in Chinese
5 Apr 93 p 2

[Report by E. Shan-shan (6759 1194 1194): "Lu Ping Talks About the Transfer of Hong Kong and Macao Governments; Specific Preparatory Work To Start Soon"]

[Text] Beijing, 4 Apr (WEN WEI PO)—Lu Ping, director of China's State Council Hong Kong and Macao Affairs Office, pointed out here today: The promulgation of the two basic laws for the Hong Kong and Macao Special Administrative Regions (SAR) ushered in a new phase of the transitional periods for the two areas. The focus of our work will shift from drafting and enacting the two laws to various kinds of specific preparatory work aimed at restoring China's sovereignty over the two areas to achieve smooth transfer of political power. He reiterated: Though the foundation for Sino-British cooperation has been deliberately undermined by the British side to a serious extent, the Chinese Government will, under any conditions, continue to adhere to the principle of "one country, two systems" and will, as always, maintain Hong Kong's long-term prosperity and stability.

Lu Ping made the above statement at today's fifth annual meeting of the Chinese Research Society of Hong Kong and Macao Economies, which was attended by over 100 representatives from various parts of the mainland and from Hong Kong and Macao.

At the same occasion, Ji Pengfei, honorable chairman of the society, said in a speech: The reform and the open policy introduced on the mainland and the gradual establishment of a socialist market economy has provided a favorable opportunity and environment for economic development to Hong Kong and Macao. Hong Kong Governor Chris Patten, however, carried out a confrontation policy against China in the second half of last year, placing serious obstacles in the transfer of political power in 1997 and a stable transition, thus damaging Hong Kong's prosperity and stability. Under the circumstances, the current annual meeting invited specialists and scholars throughout the country to a seminar which makes "ways to preserve Hong Kong's economic prosperity and stability" the main item. Such a meeting is of great practical significance.

He said: The Chinese Government has consistently maintained that in the second half of the transitional period developments in political, economic, cultural,

educational, scientific, technological, and other fields and in various areas of social life in Hong Kong and Macao should gradually converge with the basic laws. Only in this way, can we achieve stable transition in 1997 and 1999, effectively keep the current systems and way of life in Hong Kong and Macao unchanged for 50 years or longer, and preserve economic prosperity and stability in Hong Kong and Macao.

Lu Ping pointed out: Since Hong Kong Governor Patten provoked the confrontation between China and the UK and constantly escalated the row, the Chinese Government was forced to take countermeasures, making preparations for the setting up of Hong Kong's first SAR government and first legislative council. He believed that this is in the fundamental interests of the broad masses of compatriots in Hong Kong.

Lu Ping said: We are facing a complicated struggle. To achieve a stable transition and transfer of political power in Hong Kong and Macao, we have a much painstaking work to do and have to explore many fields and blaze new trails. Under the present situation, the move to place the operation of society under the charge of the State Council Hong Kong and Macao Affairs Office complied, as it were, with the requirements of the developments in the transitional period in Hong Kong and Macao. The main task of the society is to serve stable transition and long-term prosperity in Hong Kong through studying, propagating, and implementing the principle of "one country, two systems" and the two basic laws.

Patten Says PRC 'Would Not Invade' Hong Kong

HK0504031493 Hong Kong SOUTH CHINA
MORNING POST in English 5 Apr 93 p 2

[Report by David Wallen in London]

[Text] Hong Kong Governor Mr Chris Patten yesterday gave an assurance that there were absolutely "no circumstances" under which China would invade Hong Kong. "We are not going to do anything that would provoke them," he said. "And China, for her part, would not invade."

Mr Patten was speaking at his first television appearance since arriving in London on Friday [2 April] night for nearly two weeks of talks with Britain's Prime Minister Mr John Major, Foreign Secretary Mr Douglas Hurd and senior officials.

His comments came after lengthy questioning over Hong Kong's deepening row with China.

Mr Patten said Chinese leaders had made clear again and again that they would not invade Hong Kong.

"I believe the Chinese leaders when they say that," Mr Patten said.

He also said it was "extremely unlikely" that he would ever become prime minister and doubted whether he

would even take up a position as an MP [member of Parliament] at Westminster again.

Mr Patten also made clear he had no intention of standing down until 1997 saying: "After Hong Kong I would like to continue in some sort of public service role, but that is a long way off."

"I have more than three years in Hong Kong and I want to do my job as well, and as conscientiously, as possible."

Speaking to interviewer David Frost on the widely-watched BBC programme *Frost on Sunday*, Mr Patten said he believed there would be democratic elections after 1997—provided China stuck to the Basic Law.

He added: "If there is any misunderstanding—a gulf—I think it is whether or not the Chinese leaders understand the relationship between Hong Kong's way of life, Hong Kong's freedoms and Hong Kong's prosperity."

Mr Patten said he was willing to talk with China about his controversial democracy plans for the territory "at any time, any place".

He said China had softened its opposition to talks with Britain and Hong Kong over the proposals he launched last October and he hoped they would do so again.

He added that he was ready to "tango anywhere"—repeating a phrase, ridiculed by China, that it took "two to tango", in talks aimed at resolving the dispute over his democratic plans. He said that while China was committed to the principle of one country, two systems, the system within Hong Kong was not just capitalism. It was the market economy operating within the rule of law.

"Take away the rule of law and Hong Kong ceases to be the very special place it is today," Mr Patten said. He added that the rule of law could not exist without a credible Legislative Council.

During the Governor's stay, Whitehall watchers will be looking for any hint of a compromise which might lead to a resumption of talks with China.

Mr Patten said that talks with China broke down because the mainland insisted on preconditions—making a distinction between the different members of the British team. "We have no doubt that talks should be between the two sovereign powers," he said. "But an aspect of our sovereignty is that we should be able to choose our team."

He stressed there was a difference between Hong Kong and other territories which had been prepared for independence. "In Hong Kong we are preparing for the resumption of Chinese sovereignty," he said. "The argument is not about something as clean-cut as democracy. It is over whether we have fair elections on 1995."

Mr Patten hinted that talks could resume soon. He agreed to make a decision on tabling the proposals after

the Easter recess. "We will make that decision, bearing in mind that talks may have resumed by then," he said.

The Governor said he did not believe the move by former Chief Secretary Sir David Akers-Jones to Beijing made any difference. He said he hoped Sir David would give the Chinese Government "balanced and reasonable advice" and not merely tell them what they wanted to hear.

Commenting on criticism by former ambassador Sir Percy Cradock on the democracy blueprint, Mr Patten said: "There used to be a tradition that public servants didn't comment on what happened after they retired."

And he said he would adhere to the tradition of not talking about people who had gone before him. But he added: "I don't think we will be going on holiday together."

UK Accused of Playing 'International Card'

HK0304064093 Hong Kong WEN WEI PO Chinese 3 Apr 93 p 11

["Special article" by Cheng Han (4453 2498): "What Are Mr. Hurd's Intentions?"]

[Text] Douglas Hurd, the British secretary of foreign and commonwealth affairs, delivered a speech to Japanese reporters not long ago, openly asking Japanese business circles to put pressure on China so that Hong Kong might maintain its free structure after 1997. Almost at the same time, Hong Kong Governor Chris Patten stated that Hong Kong has already become "an internationalized city" in an interview with a U.S. television station in Hong Kong, and that U.S. President Clinton's concern over Hong Kong should and "can be understood." When those statements are put together, we find that a clear signal has been sent to the public, namely, that the British side is keen on playing "the international card," to the extent of being spellbound by it.

Hong Kong has been part of sacred Chinese territory since ancient times. But a century or so ago, the British colonialists compelled the corrupt Qin Dynasty to sign an unequal treaty and turned Hong Kong into a colony on the strength of opium and gunboats. With the initialing of the Sino-British Joint Declaration in 1984, the future of Hong Kong was settled, namely, China is to recover its sovereignty over Hong Kong on 1 July 1997. This being the case, the issue of Hong Kong is a matter between the Chinese and British Governments prior to 1 July 1997, and will be purely a domestic affair of China after that date. No third party whatsoever should meddle in it. Britain is one of the signatories to the Joint Declaration, and now it has called on other countries to intervene in Hong Kong affairs; people can hardly believe that it will continue to abide by the Sino-British Joint Declaration, and cannot help casting doubt on its international prestige.

Actually, this is not the first time that the British side has played the "international card." In the wake of Chris Patten's setting out his notorious "three violations" constitutional reform proposals, he went abroad lobbying in various countries to seek some international support in an attempt to "conjure up a new whirlwind to encircle China with Hong Kong being the main theater." However, that "whirlwind" to internationalize the Hong Kong issue did not take shape because of its unpopularity and its running against the tide of the times; as a result, Britain landed in greater passivity and isolation. If British politicians still have good memories, they should know that it will never work to resort to "internationalization" in settling the Hong Kong issue; and it will be a vain effort to deal with China by playing "the international card." On matters of principle concerning sovereignty, the Chinese Government and the Chinese people have never been vague, and will never yield an iota.

In his speech, on the one hand Hurd acknowledged that if Hong Kong's political and economic characteristics remain unchanged it would benefit every investor in Hong Kong. On the other hand, he continued to express support for Chris Patten's constitutional reform package. His self-contradictory and confused logic took the audience by surprise.

That Hong Kong's political and economic characteristics will remain unchanged has been written into the Joint Declaration, and ample legal insurance is provided for in the Basic Law. The Chinese side has all along stressed and reiterated that it will do business strictly according to the Joint Declaration and the Basic Law, insure stable transition and convergence before 1997, and implement one country, two systems as well as Hong Kong residents governing Hong Kong, and that the existing political and economic systems and lifestyle in Hong Kong will remain unchanged for 50 years after 1997. It is Chris Patten's constitutional reform package that aims to greatly alter the existing constitutional system and jeopardize stable transition; it is Chris Patten again who has violated the Joint Declaration and is bent on rejecting convergence with the Basic Law. It was under such circumstances that the polemic over the Hong Kong issue started some six months ago.

If Hong Kong's political and economic characteristics are to remain unchanged, it is necessary to give up Chris Patten's reform package; otherwise, it will be impossible to maintain Hong Kong's existing political and economic characteristics, which will eventually be jeopardized. No wonder Hong Kong media found it "surprising" that Hurd had failed to understand such an easy theory.

Hurd is the senior official in charge of foreign affairs at the British court, and the party concerned who exchanged diplomatic letters and reached understanding and agreements with his Chinese counterpart in early 1990. He has the clearest picture as to who has been perfidious, and torn up the diplomatic understanding

between the two countries; who started the confrontation and jeopardized Sino-British cooperative relations; who has cheated the public and peremptorily closed the door on talks and consultations between the two sides.

Through the inferior performance of British politicians, an increasingly greater number of people have seen through the fact that the "democracy" they advertise is but a sign board that deceives themselves as well as others; its essence is to "internationalize" Hong Kong, and turn it into an independent or semi-independent body, while setting up a roadblock to returning sovereignty over Hong Kong to China to prolong British colonialist interests. "Whoever plays with fire will perish by fire." The British side is beat on playing the "international card," but what awaits them can only be their ending in failure.

Li Peng 'Blocked Pressure' From Hardliners

HK0404071293 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 4 Apr 93 p 2

[Article by Fan Cheuk-wan and Chris Yeung in Beijing]

[Text] Chinese Premier Mr Li Peng has blocked pressure from hardline communists for tougher retaliatory action against Britain over the Patten package, it emerged last night.

A mainland source said the premier, often described as a hardliner, had ordered caution in going ahead with the plan to build a "new kitchen" for Hong Kong after 1997.

"There has been strong sentiment among hardliners at the central leadership and some ministries under the State Council for an early takeover of Hong Kong. But Li Peng resisted their pressure and called for a prudent approach in handling the Hong Kong question," the source said.

Mr Li also toned down a threat to use trade as a weapon to penalise British commercial interests made during his press conference last Wednesday.

Meanwhile, some Hong Kong Affairs Advisers adopted a noticeably milder attitude, as they ended two days of talks with mainland officials in Beijing yesterday.

Mr Lo Tak-shing, a close adviser to Hong Kong and Macao Affairs Office chief Mr Lu Ping and a leader of the pro-Beijing New Hong Kong alliance, claimed Beijing might have toned down its proposals to dispel worries over an early start of the Preparatory Committee for the Hong Kong Special Administrative Region (SAR).

Mr Lo said he was disappointed by the slow progress made in forming the working organ.

Sticking to his earlier proposal for the setting up of a "takeover committee", Mr Lo suggested the proposed working organ should employ about 100 full-time staff,

and said 30 to 40 should be trained as potential senior civil servants for the future SAR government.

Another adviser, Professor Lau Siu-kai, associate director of the Hong Kong Institute of Asia-Pacific Studies at the Chinese University, urged China to work with Britain on the setting-up of the "new kitchen".

"It should not be confrontational. On matters that are beneficial to Hong Kong regarding people's livelihood and welfare, China should continue to co-operate with Britain," he said.

"The working group should take a low profile and minimise its political impact. Don't let political disputes spill over to non-political issues."

Hong Kong affairs advisers from the pro-China Democratic Alliance for the Betterment of Hong Kong (DAB)

have urged the Chinese Government to adopt a cautious attitude in preparing for the setting up of the working organ.

Mr Cheng Kai-nam, secretary-general of the DAB, said the central Chinese leaders had made rational decisions on the setting up of the working organ.

"It can be shown by Premier Li Peng's public statement that the working organ would only be set up when it was necessary," he said.

Mr Tsang Yok-sing, chairman of the DAB, said the advisers from his group had urged Beijing to conduct wide consultation in the Hong Kong community before finalising the responsibilities and composition of the working organ.

The chairman of the Business and Professional Federation, Mr Vincent Lo Hongsui, proposed the working organ should not be too big; it should be a working group rather than a consultative organ.

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